

SPECIAL MEETING
BOARD OF MAYOR AND ALDERMEN
In Joint Session with Board of School Committee

March 31, 2003

6:30 PM

Mayor Baines called the meeting to order.

Mayor Baines called for the Pledge of Allegiance, this function being led by Alderman Smith.

A moment of silent prayer is observed.

The Clerk called the roll.

Present: **Board of Aldermen:** Aldermen Gatsas, Guinta, Sysyn, Osborne, Pinard, O’Neil, Lopez, Shea, DeVries, Garrity, Smith, and Forest

Board of School Committee: School Committee Members Stewart, Donovan, Herbert, Labanaris, Gross, Healy, Dubisz-Paradis, Beaudry (late), Cote, Ouellette, and Perry (late)

Absent: Aldermen Wihby and Thibault. School Committee Members O’Brien-Thayer, Kacavas, and Kelley-Broder

Mayor Baines advised that the purpose of the meeting is a general discussion of the design build proposal.

Mayor Baines stated each of you has in front of you an early 20th century post card depicting Central High School’s Classical Building. As you listen to tonight’s presentation, I would like you to reflect on why the citizens of Manchester, almost a century ago, choose that building – from the thousands they might have put on a post card – to be the face of Manchester to the outside world. Aside from an understandable pride in a building that was both beautiful and functional – a building that certainly has stood the test of time – the people of Manchester were expressing pride in a city that cared enough about education to build school buildings that were – as I have said hundreds of times before – worthy of the teachers who work in them and the students who learn in them. Much has been written about this project in terms of the benefits that future generations will derive from it once the work that is proposed here tonight is completed. But I want once gain to spend a few minutes

talking about why this project is, in some ways, as much about the past as it is about the future. Manchester is not a rich suburb. We know that. It is a city that is justifiably proud of its capacity for work. At the same time, it has never been a city that discouraged intellectual achievement. Indeed, it was a desire to provide subsequent generations with the means necessary to pursue a life of the mind that drove our parents, my parents, your parents, and grandparents to work hard as they did in places like the mills. They wanted – and they achieved – a better life for us, one that allowed us to work with our heads and our hearts, not just our hands. And the schools were a means to an end. And they built beautiful schools, beautiful schools. Look at the post card again and think of the current conditions of some of our buildings. What image would best represent the state of our schools today? What image? A picture of students taking exams in hats and scarves and mittens? A picture of someone like Katherine Mirabile, one of my high school teachers who now is an exemplary, a great educator at Central High School, correcting exams in the hallway because there was no where else for her to do her work? That exists today. Perhaps a picture of a cafeteria that is so crowded, so crowded, that standing in line consumes $\frac{3}{4}$ of a lunch mod. Is that the face of Manchester we want to present to outsiders? Is it the face of Manchester we want to present to our own citizens? I say no. Tonight, you will see a different vision. You will see the modern version of what is shown on that postcard. The images you see will be the images of 21st century schools – precisely the types of buildings in which future Rhodes scholars, captains of industry, Hollywood megastars, and good, solid citizens like you and like I deserve. Like all of us deserve. I am glad that after many years of delay and denial, there is general agreement among all in this room that we offer today in terms of our physical facilities makes life unnecessarily difficult for teachers and students and, perhaps worse than that, violates the implied contract that we made with our ancestors – the one that obligates us to provide for future generations in the same manner as generations past. I am aware that there is not unanimous agreement about the specifics of this proposal. In fact, all of the specifics many of you had not seen yet. They are being unveiled tonight. I ask only that you view tonight's presentation with an open mind. Sort of like a teacher going into a classroom with many students that have predisposed opinions, but once they hear all the facts and all the viewpoints, perhaps some minds can be changed. Perhaps some positions can be altered. I hope that you agree that our students deserve nothing less than what is described I tonight's presentation. We must do for them what our parents did for us. And finally, I'm going to make another observation. I think most of us go involved in elective office for one reason only. Doing the very best we could do. That's it. I don't think there are many of us that think about Republican angles or Democratic strategies or power in position or influence, or who wins. All we're trying to do is the best. This is not a project I think there should be any partisan position at all. I heard a comment the other night about constituents, constituents. There are a lot of constituents we have, some of them vote, some of them don't. Some of them aren't born yet. Some of the children that deserve better than what this City has provided in the past. This is a very comprehensive proposal, and I want you also to know it's not my proposal. There's been a team of professionals working on this since this board authorized the project to proceed. Some have personalized it and put it, it's

the Mayor's proposal. This is the collective proposal of many good people who came to the table, based on the Parsons-Brinckerhoff study and developed a blueprint for the future of our schools. And there may be a tendency to try to pick and choose...you're going to hear every school described. It's a comprehensive program and it should be voted as one. We have many issues as you know with the surrounding towns, but the bottom line is we can not suffer through three or four more years of the crowded conditions that are existing in our schools. We can plan for the future. It's affordable, it's achievable, and it's the right thing to do. The City of Nashua alone over the past year has made I think about approximately \$150 million commitment. This pales in comparison to that. And if we could muster the political courage and the financial support to build the Verizon Wireless Arena, perhaps build a baseball stadium, perhaps build a new facility at Derryfield Country Club, and all the other things we're doing, we can find the will and the finances to finally fix our schools. And I'll say one other thing in closing before I turn it over to Frank Thomas, because I believe so passionately about this. If we can't do this, shame on us.

Frank Thomas, Public Works Director, stated I'm very pleased to have the opportunity to bring to you tonight a detailed comprehensive presentation on the school design build project. This project has been very exciting, but has also been very difficult in balancing the need to furnish information for tuition negotiations could move forward, while at the same time insuring that we would be able to obtain competitively priced total proposals. I ask that you hold your questions until the end of the presentation tonight. Hopefully, many of the questions will be answered tonight as the presentation moves forward. However, we do have plenty of time to answer all your questions. I would like to first start off by giving you a brief history on how we've arrived at the point that we're at tonight. In 1999 I was asked to take over the Public Building Services Department due to a cleanliness issue in our facilities. That issue was resolved by contracting with ARAMARK ServiceMaster. In resolving that issue, it immediately became apparent to me that the City's buildings were suffering from years of deferred maintenance. Money was being thrown at critical projects, projects that would soon become critical. Larger projects were deferred down into the future or phased in, as funding was available. We were putting out fires. We were not even keeping up with the problem. We were never getting ahead of the situation. As a result, I suggested that the City do a facility audit of our facilities in order to determine the magnitude of the problem and to use the audit to define a logical means of prioritizing the work. It was my intent to develop a comprehensive plan to address the problem. The facility audit was funded and the City engaged the firm of Parsons-Brinckerhoff in the summer of 2000. The first test for Parsons-Brinckerhoff was to do an engineering evaluation of all the facilities to determine deficiencies and the condition of the facilities that were out there. Shortly after we started with that Phase I, we entered into a Phase II by amending the contract. This Phase II study involved the programmatic evaluation of the facilities as they pertain to capacity and the needs of the facility and also to recommend alternatives on how to address these needs. This facility audit and need assessment was completed in January of 2001. In May of 2001, the School Board voted to continue with the tuition agreements with the sending communities,

and to initiate negotiations with these communities. As a result of the Parson's study, the study further generated ongoing discussions regarding the need, or potential need, of a fourth high school in the City of Manchester. The Board of Mayor and Aldermen, after quite a bit of debate, in June of 2001 voted to tell the School Board that they shouldn't proceed with a fourth high school. As a result of this vote, the message was sent loud and clear. The School Board stopped pursuing any notions of moving forward with a fourth high school. In February of 2002, a proposal was brought forth to the joint board that's here tonight. This proposal was to address the deferred maintenance issues and the programmatic issues that were in the school by performing a design/build finance procurement process. That proposal was accepted by the boards. As a result the, the City staff utilizing the base of no new high school as the base, developed a scope of services. The scope of services was presented to the school board and was approved. A request for proposals was issued in March of 2002 and the results of this request for proposal you'll be hearing in the form of the presentation tonight. I want to make it clear that the City staff is recommending the Gilbane proposal because it addresses both the maintenance issues and the programmatic issues that are in the schools. And this proposal is addressing these issues in a very short period of time. In a manner that prudent and financially responsible. In fact, the improvements that you're going to be hearing tonight, the majority of them will be completed in a two-year period. The School Board last week voted to accept our recommendations and to endorse the proposal as it was presented to a maximum project cost of \$110 million. Before I move on I do want to mention that we do have one protest against the potential award of the project by one of the design build teams Cole. His protest is under review right now. There are means to address this protest and the request for proposals that we had out there. I would like to now turn this immediately over to Frank Bass and Henry Aliberti, both Assistant School Superintendents that are going to talk about why this project is needed.

Dr. Frank Bass stated it's a pleasure to be here. This is truly a historic moment for us. I would like to say on behalf of the entire school district of Manchester we are very proud to be here to work on this project and to talk about what it means to us. But let me first talk about what these facilities are. Do these facilities really make a school as a house makes a home? And the answer is quite obviously, no they do not. And why are we here talking about a \$110 million project for 21 of our 22 schools. First and foremost, schools are a reflection of the students they serve. And to that end, we should look to our schools as one of the highlights, one of the focal points of our City. We owe it to our youth, our most precious natural resource to provide for them the necessary where with all so they become successful consumers in the marketplace of ideas. It is our hope that our success will be so good that they come back to Manchester, come back to our community to set up their own homes, raise their own children, and to give back to the community the caring committed individuals who want to help out the City that did so much for them. You all know those individuals. There are many that I could mention. I will not enumerate them by name. You are all aware of them. But first and foremost the schools are a reflection of our community and we need to seriously consider what that means for the success of Manchester as a city.

Second, if we are to raise the standard of our schools and realize the promise of excellence heralded by our superintendent in his inaugural address and we need to instill in our students, our faculty, and our administration a pride ownership that permeates every corner of every building. But that can't happen without first having buildings that we are proud of. And thirdly, if we are to create a recognizable pattern of engagement opportunity for all of our students, then we'll have to create the necessary space. We'll have to commit to the upgrades and we'll have to construct a framework of support in continuity so that opportunity and that engagement will transform our schools to models of excellence. I give you this rhetorical response only to show the schools are far more than bricks, mortar, space and additions. And with that I would like to introduce my friend and colleague Dr. Henry Aliberti.

Dr. Henry Aliberti stated I'd like to share with you this evening a few thoughts that I have about what's planned for the elementary schools. Definitely the improvements that have been outlined in Gilbane's project for Manchester elementary schools is greatly needed. These maintenance upgrades and renovations are going to address issues around health, safety and code requirements. They're going to deal with roofing issues, flooring, electrical systems, heating and ventilation systems, painting and ceilings that need to be replaced at the elementary level. Whenever you have an improvement of this kind, renovations of these kinds to the elementary schools, there's an immediate educational benefit to them. Students, parents, and teachers have an opportunity to work in facilities that have been upgraded and improved. That creates an environment for teaching and learning to take place. You'll see an immediate improvement in day academic programs, afternoon day care programs, and with parent informational programs that are held in the evenings. The needs that need to be addressed at the elementary level focus around enrollments and capacity of the elementary schools. One of the things we need to take a look at are the impact of spiked enrollments in the neighborhoods in which these schools are located. We have enrollment increases that are due to home developments that are occurring, to private homes that are being rebuilt, and the rental areas where you have any influx families that come into the schools and leave during the school year. These types of enrollments create peaks that occur in the schools, so there needs to be space incorporated into the elementary schools to address these issues. The enrollment projections that are included indicate that at the present time that the capacity of the elementary schools should be around 7,000 students. Right now we have a little over 6,900 students that are enrolled at the elementary level and if you include the pre-school programs that are housed at Jewett, Gossler and Smith Road schools, you're close to 7,200 students. This does not include the students that are presently located in rental space at the Easter Seals building in the pre-school program that's there. Another need that needs to occur at the elementary level is what I call a program analysis. A lot of programs have been added at the elementary level to address achievement standards that no child left behind requires of our elementary students. Because of this programs have been added to the elementary school, and since these programs added in the last few years again programming space has not been identified in those schools. Another area of need is to look at the basic

design of our schools. Several of our schools have been built with the open concept in mind. These schools need to be assessed to be determined whether or not this concept is still of value to the educational process to the teaching and learning that goes on in those buildings at this time. So, in closing, before I turn this back to Dr. Bass, it's important that we look at spiked enrollments, program analysis that we need at the elementary level, and other issues that need to be considered. Let me emphasize that these renovations are extremely important at the elementary level. Delayed in maintenance and renovations definitely are needed at the elementary school. My point is that while we have the expertise of Gilbane here and the ability to work with their educational and engineering consultants, we should also plan for the future of the elementary schools.

Dr. Bass stated moving to the middle schools, as you know there will be two additions at Hillside and Southside as well as the many renovations that are going to be under way at the middle schools. But let me just back up a bit. For instance, go back to the McLaughlin School. As you know McLaughlin was built to compensate for the increasing enrollments in our middle school level and that's exactly what McLaughlin has been able to do. McLaughlin currently holds somewhere in the neighborhood of 1,150 total students. On a capacity issue we currently have somewhere in the neighborhood of 875 or so students at that school. So McLaughlin is doing exactly what it was designed to do. Moreover McLaughlin is well suited for the middle school model. Something that I will be talking about in a bit. Hillside and Southside expansion. If you look at the current enrollments at Hillside and Southside, you'll find they average about 1,075 to 1,100 students. You'll also note that the projection has been going up in the Southside area and slightly down in the Hillside area. Hillside has students well over 1,125 – 1,140 in the last two or three years. So clearly they are in an over capacity issue. Just as Southside is approaching that very same issue right now. I think Henry had mentioned earlier some of the spikes in terms of the demographic populations and you can see that on the south end as you look at Southside rising and Hillside coming a little bit down from that. You look at general overview of our demographics regarding the middle school population perhaps gives you a clearer picture. Here you can see from the Office of State Planning from '91 all the way out to 2010 you can see enrollment projections and you can see our capacity related issues. And obviously the additions would significantly help out in that regard. Also to consider when you're looking at middle schools is the middle school model. What's different here, is when you have a middle school model you have to have time or room or space or planning for meetings for a variety of tutorials and a variety of other programs that help support, such as the Read 180 Answer Well programs and a variety of others that help support the middle school model. Again, middle schools are something that we have chosen to do as a school system. One that we are highly encouraged to by the State Department of Education and certainly something that fits very nicely in with no child left behind. Again, the whole idea behind middle schools is to reach out for each and every child, and again, there does need to be accommodations for space. Therefore, as you look at a middle school model throughout the Manchester system you need to look out for that extra space that should be needed. The next

issue is portables. There's been a lot of discussion about portables throughout the City of Manchester. You should know that the City of Manchester spends approximately \$275,000 each and every year for all the portables in our city. Do the portables serve a purpose?

Yeah, sure, absolutely. You should know that they account for 200 students at Hillside and 200 students at Southside. Which brings you up to those population figures we were talking about before. Obviously this is not something that we can ignore. It is our goal, the goal of the Manchester school system, within the next four to five years to get rid of all the portables that we possibly can. Obviously we wish to be in a position that there are no portables here in the City of Manchester. These additions and renovations will go a long way in helping us to move that burden off our playgrounds. High schools. There's been a great deal of discussion about high schools. Additions as well as the renovations. As you know much of this depends on the contracts we have with the outlying districts. But first things first. When does overcrowding constitute a crisis? Without getting into the issues of what school has what capacity, you have to look at it this way. If you take West High School for example, you're currently sitting at 124 students over the gross capacity. So they're already operating in an over capacity situation. Let's then move onto Central. Central High School is a little bit worse. They're operation at 285 students over their gross capacity. And then finally we move to Memorial. Memorial is well over 350 students over what the gross capacity of their school is designed to hold. The point here is that our schools currently, as we speak right now, are grossly overcrowded. You should also note, this is not something new. We researched the enrollments of the last 25-30 years and we found that for a period of ten years, 1972 to 1982, Central High School averaged 2,400 students. Now this has been a long-standing problem. Now we're at an opportunity where we may be able to address that, and hopefully we will never have to see it again.

Dr. Bass continued what you have here again is just a nice slide, 1991 all the way up to 2012. Looking at our enrollments and then looking at what our capacity related issues would be. This is figuring, assuming that Bedford leaves after the year 2006. Planning for the future. What do these changes constitute for our three high schools? First, Memorial. A very simple explanation. The new media center was recently opened a few months ago. For those of you who have had an opportunity to see the media center, you can not believe how it has transformed that school. One small area. One space has literally transformed the school where students and educators are now proud to take advantage of that center and say look what this has done for our school. It has provided an appropriate ambiance environment for learning and was something that was long overdue at Memorial High School. Think of what that means in terms of the media centers at West and Central High School, which are also planned for these additions and renovations. What's going to happen at Memorial? Twenty-one new classrooms will be built at Memorial. A science room will be updated and Gilbane will give you a very detailed explanation. Again, it is going to transform Memorial High School. It's going to create an opportunity for all those students to be very, very successful. Central High School as you know has a long-standing history and has a very proud history. Central High School has been overcrowded for many years. All the buildings are in great

need of repair. You're going to have significant renovations to all of those, and you're also going to have a beautifully designed addition at the high school with brand new administrative spaces, brand new media center, science labs to be included in the outfit. Also note clearly that you're going to have your major theaters upgraded to certain specifications so that now all our musical productions will have the appropriate background for them and produced in the manner they were meant to be. I didn't speak too much about West because we've come up with something that we're calling the Bedford alternative. As you know Bedford has chosen not to adopt a tuition contract and we're assuming very much Bedford will no longer be with us in the next three to four years. With that assumption in mind we looked at West High School and came up with what we think is a really neat opportunity for our students across the City of Manchester to take advantage of that extra space that Bedford will hold for us. We're looking at the academies; we're looking at magnet school opportunities, math/science collaborative, fine arts and performing arts academies. Opportunities for students from all over the City to come to West High School because it offers something unique and something that would be a great opportunity for our students and our parents to take part in. So, we're looking at the Bedford alternative as a wonderful opportunity for our students, not a setback. Who pays and why? I just want to reiterate for those, and I know it's been said on many occasions, but the outlying tuition agreement does provide for us the opportunity for the sending towns to pay for all the additions. That's the way the agreement was constructed. So all the additions we're talking about at the high school are set to be paid by the sending towns who have signed the tuition agreement. Moreover, 25 percent of all the renovations at the high school will also be paid by the sending towns. This gives Manchester a great opportunity to have these additions and renovations for nowhere near the cost if they had to shoulder the burden entirely on Manchester. I put this slide in here just to reemphasize what it means to be a part of a comprehensive high school. You go around to the schools and you talk to kids and say what it is about your school that you really enjoy, and what they'll tell you is I'm glad to be a part of my school. I believe in my school. It offers opportunities for me beyond the classroom, something that I wish to take advantage of. Something that I enjoy going to day in and day out. Look at the history of our schools and the success of our schools. I don't need to list for you the many people who have graduated from West and Memorial who have been very distinguished. And certainly Central High School with over 150 years of story history, is a who's who list that many colleges and universities would love to call their own. Absolutely magnificent. What's the point here? That the school is a wonderful opportunity for our students to connect with one another and to feel good about who they are and where they're going. We don't want to lose sight of what our schools can do for our students.

Mr. Bill Gilbane stated we're very pleased to be here tonight. We know that no building is more important to a community than a school and we're very honored to be entrusted to carry out and execute that project. Your selection process was very thorough and very challenging. It was so comprehensive; it took an awful lot of time. But the time was the foundation of our understanding. We thoroughly understand what's required here and

process we went through has given us the confidence to know we can deliver what is required. There are several keys to successful execution of a program like this. But there are three basic ones. The first is communication. It's critical that we have a major focus between the design and build team and the superintendent of schools, the principals, the PTA, the City of Manchester, will be a major focus of ours. Secondly, we have to have a full understanding of the rolls and responsibilities of all parties. We have to be able to walk in each other's shoes and look out for each other throughout this process. And finally and most importantly, we cannot compromise the education process. The safety of the students and faculty come first. We want to ensure that our students inclusion program only supplements and compliments the education process for the time while we are there. We're not here to sell you tonight, but I'm here to tell you and assure you that we will deliver this project on time and under budget. I would like Russ Broderick, the Director for Gilbane who will be in charge of this program to now talk about it in more detail.

Mr. Broderick noted when we first were introduced to this project, we thought long and hard about the team we should assemble. It's a very comprehensive proposal process that was outlined and we wanted to find the best vendors in each are. The team that Gilbane put together has Gilbane as the lead. Gilbane is the number one instruction manager in educational buildings in the United States of America. And more importantly to the City of Manchester as we have a long history here in New Hampshire. We're supported in our efforts by Solomon, Smith, Barney who is the number one investment banker to cities and towns throughout the country. Again, an excellent support to the City of Manchester. Palmer Dodge a very reputable bond underwriter is facilitating the underwriting of this project and working with the City's counsel, Ropes and Grave. On the design side we have Lavalley/Brensinger who is a Manchester based firm who does more educational design than any firm based in New Hampshire. Shooshanian a very well respected firm based out of Massachusetts and Kimball/Chase a firm again based here in Manchester with 125 employees. While the team as individuals has great credentials, I think again more importantly to the City is the fact that this is a team that has worked together. We have delivered projects here in New Hampshire. The Verizon Arena, Nashua north and south high school, outside of the state, Milton Public Schools. So we have experience in working together and then probably the most critical element to this team is this is a team that is based here in NH. Almost all of the team members have NH offices and have had those for a long time. They've not just been set up for this project. We have employees that live in the City of Manchester and in turn we have children of our employees who will participate in and benefit from. So we are vested in this process and felt that we had to bring the best team together to help to deliver this program, and we really feel that we've done that. As we started to put or proposal together, there were certain program objectives that we sought to incorporate into or proposal. I think Frank Bass did an excellent job over viewing this state of the art educational program. I will mention we want to work with the school departments to make sure the facilities we design and implement are the absolute best and most up-to-date, and the things that are going to provide your students with the best educational

atmosphere that can be provided. Very important as well is to coordinate an efficient project execution. This is a very large project. Twenty-one schools throughout the City and we needed to make sure that we had the staff in place to underwrite and make sure we could implement this program. We have Doug Butler who will be up in a few moments who will give you an overview on our staff that we proposed for this. All staff members have been with Gilbane for a long time. Have participated in educational programs in other cities and towns. The third element to the project is to maximize the schedule. We have put together a schedule that will complete 17 of the 21 schools in 2005, and the remainder will be completed in 2006. So you have benefit that will come to you very quickly as you look at your overall process. And then the whole reason we're all here today, is to make sure that the students are getting what they deserve, which is a great education and I think the fourth point we brought in to our proposal is to minimize the impact to the educational day. A big project can distract students and take away from the process, but we have worked in schools throughout the country and have developed a way to not only minimize how the construction impacts the students, but more so to have students benefit from the construction process and to learn. We did some...Manchester School of Technology we brought the students in at the Verizon Arena and we've done similar programs. And Ken Cornwell will give you a better overview on that. What I'd like to do now is give you an overview on the scope of the project. We have 14 elementary schools that we will be undertaking renovations in. Again we have renovations and additions at three middle schools and then we have renovations and additions at certain high schools, as well as the Manchester School of Technology. So as you look at the map of your city, you can see that we have a far-reaching program that addresses each element. And what I'd like to do now is turn it over to Ken Cornwell who was the Project Manager on the Verizon Center and he is going to give you a brief overview of what is going on at each one of these schools.

Mr. Cornwell stated I am a Senior Project Manager with Gilbane and I'd like to take a few minutes of your time and show you your schools. Show you what we see today in your schools and what you'll see when we're done with this project. I am going to walk you through the elementary schools first, then I'd like to walk you through the middle schools, and I'd like to walk you through the renovation of the high schools and then talk about new construction if we can. Keeping in mind that every one of these schools is getting a great deal of scope of work and I don't want to take your whole night and tell you what it is, but in the handout you got all of these bullet points that are there you pretty much get a feel for what we're doing in every one of those schools. Mr. Cornwell proceeded with the slides outlining schools and stating as follows:

Bakersville, I'll just give you an example of what you're looking at. You're looking at a picket fence in front of a steam radiator with what today is temperature controlled. When it gets too hot in the building somebody goes over and turns the boiler off. The fence is to protect the kids from getting burnt. What we see is a representative after the fact. If you look at that photo you have brightly lit, new floors, a new paint job. What a transition.

Now this is Beech Street Elementary School. We had talked about an open concept school. Beech Street is an open concept school. Right now Beech Street has some leaking windows. The ventilation as you can see in the middle, I think the teachers have their own fans and have worked out a ventilation system themselves. The roof is a problem and what we're showing you here on the right is a representation of what we think that building could look like after we're done.

Gossler Park, the lighting at the Gossler Park gymnasium has been reduced over the years for one reason or another and the photo to the right is giving you a representation of what that gymnasium will look like. If you see the pictures now and look at where your kids are going to school, and you look at what it will be after we're done, I bet you would agree it's a dramatic improvement.

Green Acres has been under construction, as I understand the last three summers in a row. Some upgrades. Green Acres is going to get some new flooring, some new paint, some new electrical upgrades. Just by doing that we...representation is what you see on the right hand side... look how much brighter and prettier the school is. What a dramatic improvement.

Hallsville the same issues. Ventilation problems, almost all the existing rooms have ceiling fans. The floors are deteriorating, and again to the right hand side is a hallway we found a photo that represents what we think it will look like when we're done.

Highland Goffs Falls is another open concept school. Ventilation problems. Talking to a couple of people there what we see is that will get improved and again what you see is a representative photo of the school.

Jewett Street Elementary. Looking down a corridor of Jewett Street you can see the multiple different tiles, different colors of tile, HVAC systems are antiquated, doors are coming apart, and this is just an example of what the corridor could look like when we're done with it.

This is McDonough. McDonough has a tremendous amount of work to be done to it. McDonough's scheduled for a brand new exterior wall. The exterior curtain wall of the building is in dilapidated shape and needs to be replaced. And so are the flooring conditions, the HVAC systems are going to be replaced, and again we're trying to just show you some photos of what can be from where we are today.

Northwest Elementary is probably second to McLaughlin is the newer school and again needing some help here. We will be removing existing tile, replacing the carpet that's in the building, fixing some roof problems, and again hoping to upgrade that school to look like the photo to the right.

Parker-Varney again another school with existing additions. The carpet is tattered, we're removing all the carpet and we're providing new HVAC upgrades, we're also doing some painting and lighting and again trying to show you representation of what that looks like when we're done.

Smyth Road gymnasium, I was amazed on the way to Smyth Road. I took this picture myself two weeks ago. If you look at Smyth Road and you look at the multi purpose room now, these are where the kids exercise when it rains or this is where they eat their lunch. This is where they do their gymnasium activities. Wouldn't you much rather see the one to the right than the one to the left. Because that's what we think you'll be seeing.

Webster Elementary again, Webster has a steam radiation systems. Again the school gets so overheated and out of control and the ventilation is so bad at Webster again that the boilers are shut down and when you look at the new photo you don't see any radiators, where the HVAC systems are where they should be, where you can't see them.

Weston's another one of the schools that has some problems with their windows. It's getting a new HVAC system upgrade, it's getting a new electrical and fire alarm system, and again we're trying to show you a representative photo of what that could look like when we're done.

Wilson Street Elementary School has had some work done to it over the last couple of years. It's had new windows put in it, it's getting a new roof, it's getting new fire alarm systems, it's being painted throughout, it's flooring systems are the same way and again just a representation of a classroom when it's all said and done.

Moving onto Hillside Middle School. Hillside is a three-story middle school, and we're going in and taking care of the infrastructure, replacing the boilers. If there's only one boiler and it fails they get replaced, it's getting a new HVAC system, it's adding electrical to rooms, right now there's not enough plugs to plug your computer if you wanted to or AV stuff in the building. The locks have failed, it's getting a new roof, and again just a representation to the right of what that school could look like when we're done.

Middle School at Park Side. Here's another picture of a gymnasium. Looking at the existing additions of the gymnasium on the right and what the gymnasium will look like when it's done. Again, this floor is being replaced and that's why we're showing you a new gym on the right inside.

Southside Middle School is pretty much just like Hillside. It's getting a new HVAC upgrade. It's getting a new fire alarm, it's getting new sprinkler system readded throughout, it's getting a cafeteria extension. Right now as you've heard from the speakers before me

the cafeteria right now is overcrowded and what we're showing you here is a representation of what that would look like when we're done.

Central High School. I ran into the gym teachers when I was over there a couple of weeks ago and they're just...when I showed them some of the photos I had with me they were kind of amazed to see what it can be after we're done. And they're just ecstatic that the project is what it is. It's getting a media center renovation, it's also getting a cafeteria renovation, it's also getting leaky windows that have been problematic over the years. One of the most beautiful places I've been in, and I'm not an antique buff but I bet a lot of people are, is the Central High Schools practical arts building. If you haven't been in the auditorium of the practical arts building I'd invite you to go. It's on the left-hand side. It needs some help. It's like any antique; it needs to be taken care of and a representation of that is to the right. What a beautiful place it is and what a beautiful place it can be if we just take the time to give it some care.

Manchester School of Technology speaks for itself. Manchester School of Technology has a lot of bright kids, which are going to be our future work force in the different vocations. The part of my work force more so than where they're headed, but this school's getting a new HVAC system, it's getting all of its doors replaced, it's also getting MCTV, it's getting added to the generator system so it'll stay up and running, it's also getting needed ventilation upgrades.

Memorial High School this is the renovation of the Memorial...this is actually a photo shot down the existing corridor at Memorial. Memorial's getting all new ceilings, all new paint job, a brand new sprinkler systems, HVAC systems throughout, all existing radiators are being removed and being reconfigured. What that photo on the right hand side shows you what it will be after we're done. That's almost a perfect match if you were just to compare photos to a building. You'd have to go and take a look at it.

West High School in the Makin building. We're going to redo the media center and this is actually a picture of the existing media center and I heard people talking about the media center at Memorial High School. If you haven't been to the media center at Memorial High School, go look. What a change it's done to the place. That's what we envision here and this is just a representation of another media center in another school. Again, see what you can give to the kids.

This is a new representation of Hillside and you're going to see the same thing at Southside. We are going to provide a new addition to Hillside and Southside. It will be 12 classrooms; the building's going to be roughly 120' by 50', three stories tall. We're also going to expand the cafeteria; you can see it just to the end of that effect. This is a new addition on the end. Southside the addition's to the north, at Hillside the addition's actually to the south, at the front entrance. And you can see a little bump out here where the cafeteria is now; this is

where all the modulares are at both schools. They will be moved out of the way to construct this new addition.

This is Central High School. This is the existing James Building, this is the Classical Arts Building, this is the Practical Arts and Industrial Arts behind it. The new building is slated to go in the courtyard or in between the courtyard...which is the existing parking lot I guess we would call it, between James. It's a four-story building. The administration's moving in there, guidance, plus the classrooms, the media center's moving in there, the library. What a dramatic change for the area.

Memorial High School's getting a 24-classroom addition. It's approximately 28,000 square feet. The gymnasium...this is actually the north side of the school, the gymnasium addition's actually on the other side, another 5,400 square feet, same height.

West High School when I first looked at it I had trouble finding the front door. As a matter of fact I don't think there's a front door at West. One of the challenges was to come up with a front door, to find the entrance to the school, and we think Lavalley's taking a stab at doing that and have done a very good job. This actually is a new addition to West High School. It's a 12-classroom addition. In the middle here you can see just a little, not little, there's a cafeteria. We're going to bump that cafeteria out and put a small addition onto the cafeteria. What a difference it's going to make to be able to walk up to the front door and be able to find your way in. The administration is scheduled to go on the first floor with all the support services and the rest of the building will be student's classrooms.

Mr. Cornwell stated I'd like to take a minute and hand this mike over to Doug Butler. Doug's our project executive on the project.

Doug Butler stated I would like to talk a little bit about how we're going to execute the project. As Russ indicated earlier we're dealing with a program that has 21 different sites, and as we started to think about the best way to...most efficient way for both us and the City to function as we go into a construction program. We decided to organize it such a fashion that we would establish a core team. The core team is the group that's in the...we're going to set that core team up at the Memorial High School site. A temporary office complex that we will locate on site. In the core team will be Ken and his support staff. The core office is going to be the focal point for the entire construction program. It's going to be the point where all the team meetings occur, the design meetings occur, all the documentation related to the project will be available, allow for easy interface and easy communication with him and the other individuals as well as the program management team when they come on board. We are going to have a very efficient office organization. Again, we're going to have all of the information available so that team as we go forward in the project can make informed decisions. Obviously there's an efficiency for all of us to have a single point of contact and an added benefit allows the owner the ability to control what goes on by

interacting at the core level. In addition, we're planning on eight satellite offices. Each of the schools while they're under construction will have a Gilbane superintendent and the necessary staff located on the job site. This is for two reasons. Number one this is to insure safety of students and staff, we want to make sure somebody from Gilbane is in charge at each of the sites while the construction is ongoing. And also it facilitates our interaction with the school administration and the school staff so we can keep them informed and coordinated construction activities and to make sure that we're not impacting education activities. Communication as Bill mentioned earlier is obviously a key component. One of the ways we deal with communication is through project web sites. We use a product Prologue Web Sites, that is the typical log in page. It's going to be available to all of the team members and any team member that has internet access can log into the web site, programmable for different levels of access, so people can access information on a need to know basis. In the web site we're going to be able to share information amongst the team. RFIs, requests for information, that may flow back and forth between the design team and construction team, or the owner or program manager team can be posted onto the web site, answered on the web site, and all of the team players that need to know what the answer is to a question can get access to that information. Certainly all of the cost information is available; schedule reports are also available to the team. Critical information on the status of submittals, materials that are needed, plus the schedules are going to be available on the web site, again available to all the team member to take a look at and see where critical materials might be. And basic project information, if you need to reach out and touch somebody, gain directory information, address information, phone number information. All the information that you would need to get in touch with somebody at any given site is available on the project web site. And the advantage obviously of using these web sites, frequently on all of our significant projects is it provides all of the information the team needs to make decisions always available on a 24-7 basis. And the benefit obviously to the City, the city and the program manager have full knowledge of what's going on. They see everything that's happening on a daily basis and we'll be able to keep the staff of the school system and the public informed as the project goes forward. The public actually...we're planning on a public version of the web site, so some public information that's available might include things like construction photos if people are interested in what's going on at a given school can log on and see what's happening at their particular school. The community access is a key component of all of our projects. This is a sample of a web page from a project that we did over at UNH recently. Obviously it could be tailored to whatever information is felt to be important. Beyond the web site at UNH, we've done things like putting up posters to inform the students of things that are going on, current events. We've done some mailings to the neighbors around the project site. Certainly there are other community outreach types of activities that are possible. We obviously want to keep the public informed on what's going on with the project. It's a major project within the community and they should be a part of it. We talked earlier about the schedule. What you're seeing here is a simple bar chart that actually represents a vast amount of effort we've put in looking at each of the scopes of work that Ken reviewed with you. This information

covers a 39-month period. Each of the studies have a lot of thought to it. They have developed a program that we feel we can work around ongoing educational programs and Ken's going to talk a little bit about some of the detail. As Russ pointed out earlier, if you notice the line up at the end of the summer of '05, we're planning on having 17 of the 21 schools completed. So we'll get quite a bit of work done in the first two years assuming that we get started early April on the design effort. This being a design/build project we still have to go through the design process before beginning construction this summer. In a way we wanted to test our schedule, so we took the schedule you saw in the previous slide and we resource loaded it with trade labor. What you're seeing here is a representation of the man-hours that are going to be required to accomplish that schedule. You see that we peak out July of '04, the peak load of 450 workers. When we saw that we then decided to look at alternative ways of packaging the project. We have in our own mind divided up the project into Phase I projects, the high school projects; renovations and additions along with the two middle schools that have additions to them. We are calling that Phase I projects and we're going to allot on a procurement basis to get a group of contractors that will be working on that group of projects. We're going to be looking at the Phase II projects that are all of the other schools and that will be a separate group of bids, separate group of contractors. We're going to be dividing up the resources to bring that peak down to more manageable level. By maximizing the local contractor participation we're also going to be able to maximize the local trade labor participation. It is certainly going to be a key component to the project here in Manchester. As a basis of comparison, just to put this in some sort of context, by looking into dividing up the project into parts, will obviously decrease the number of workers required in each of the parts to roughly half of what you see there, 425 people, so peak... The Verizon center when we built that peaked out at 280 trades people. So this is essentially two Verizon type projects that are going to happen spread over the 21 school sites. But I think it's entirely doable and I think going with the same support group concept that we went into the program with. With that I'm going to turn it over to Ken Cornwell to talk a little bit about the details of construction and planning. Mr. Cornwell stated no project, whether it's painting your house, a deck, it won't work if you don't plan it well. We spent a lot of time, Gilbane staff, looking at the job and we took a look at the additions and the renovations and we looked at the neighborhoods and we decided that the best time to do most of the construction work during the day when it's outside of the educational realm of the kids. When we talk about new construction even on the same campus, we think we can accomplish a normal shift of 7am to 3:30pm every day. The bulk of the work that has any real effect on the kids common areas, the toilet rooms, the gymnasiums, the auditorium, and re-roofing will take place in the summers and if you were to zoom in on that chart that Doug just talked about on manpower, you're going to see the manpower on these jobs escalate greatly in the summertime to accomplish this work. We've also gone a little farther and decided that in order to produce a product rapidly, so that the City can take advantage of it and to start seeing the product come to realization. We've decided that there's a second shift needed for the renovations and the second shift for the most part will entail hallway work, classroom work, piece by piece. Significant renovations that we can attack without causing

any disruption to the classroom the next day. We're going to do a 3pm to 11pm shift and we've already started talking about how we work and how we get the place cleaned and making sure that the staff understands that we're going baby steps and we'll this into our whole full-time shift. Every job needs a good logistics plan and as I said it needs good planning. We've been through all of the traffic flows, we're working on trailer locations, we've talked about sensitivity to students. We talked about Central High School and how I would like to typically see the logistics of that put together. Temporary walls...safety is of the utmost importance on this job and well as with any job, but the kids are of the utmost importance here. This is a site plan, utilization plan, for Central High School. It's here because only I...there are seven slides that we're going to go through really quick. What we're showing here is the...we're capturing the area, and what we would typically do is we would walk through this with Tim's group, the program manager. We'd walk through this with the principal and we'd include some students with us. What we're basically showing you here is where things are going to be, how we see the job going together. We have relocated the school busses, how the project's getting done, what's coming up out of the ground at any point in time. This stuff will also be loaded on the web page so that the neighbors can see what's going on. Whether there's any road...utility work ongoing. This gives you a rough snapshot of where things really are. I'd like to see, and I don't think we'd like to see, I think you're going to see this as a very useful tool when we start talking to the principal of the schools, the primary staff and the neighbors, just talking about where we're going with this. Talking about minimizing the impact on the educational day. I grew up in the construction business and I've been in it most of my life and, just a quick story. I got into this business when I got in trouble and I got in trouble because I was someplace I wasn't supposed to be because I was curious about what was going on. Well we always seem to tell our kids not to be someplace but we never tell them why. My mother used to say don't do as I do, do as I say. Here in schools it doesn't work anymore and I think kids are curious, they want to learn and we're going to include them in our class. We've done it before, we think it's a great thing to do. Our people love to talk about what they do and the kids like to hear it. We'd like to share our experiences with them. Maybe through newsletters, selections in class, some site tours. We've done contests on the jobs involving the kids. We'll talk about Manchester School of Technology in a minute. Weekly meetings with the principal and the teachers. It is of the utmost importance that they understand as the people that take care of the children and the school every day, of what we're doing. So they understand what we're doing. Talk about what happened the week before so it doesn't happen again. If something's going on in a class and they've got some special program going on for that week, we are sensitive enough to back away from it or do something else. It gives us an opportunity to react. This is a slide that talks about the Verizon. I got to know John Risk at the time he was the principal at the Manchester School of Technology and we had along talk with this group of the Board of Mayor and Aldermen about what we were going to do, and we came up with a program. Actually Doug was part of the program, I was part of the program and we included the students. We actually bussed the kids over as they went through their curriculum in class where there were carpenters, electricians, plumbers,

whatever they were doing. They actually came to the job and had an opportunity to actually work with the guy that was doing the same work that they were trying to learn and what a great experience it was. It was just so fulfilling to have them make comments like “this is pretty cool” especially when you want to do electrical and you come to a job like this. What an amazing thing to do is to get the kids to buy into something like that. At this point in time I’d like to turn this mike over to Randy Sherman.

Randy Sherman stated you’ve seen the design and the build and now I will get into the finance. What we have up in front of you here, actually when we did the RFP, as they pointed out earlier, part of the team was Tom Green from Solomon, Smith, Barney. They actually came up with a pretty innovative approach to financing this project. What the financing consists of are tax exempt revenue bonds. These are not general obligation bonds, they’re revenue bonds and the main reason that we’re focusing in on the revenue bonds is because it allows us to use capitalized interest. This School Board has given the Finance Department some pretty tight walking orders on how they’d like to see their debt service, as well as the tuition agreement has some pretty stringent criteria and the revenue bonds at this point is the way that we’re leaning. We’re also looking at using the qualified zone academia bonds (QZAB). What these are is a federal program that allows us to issue debt. Each state gets a certain allotment of these bonds, allows us to issue this debt interest free. Instead of paying interest on the bond the federal government gives tax credits. So there’s two advantages that come along with this one, the City doesn’t have to pay interest, and in order to make these bonds work, or to allow us to use it, there has to be a 10% private match. Some type of contribution to the project or to the school district. That can be in the form of in kind services or we’ve looked at Springfield that did this. They had Dell computer come in and give them I think it was \$300,000 worth of computers as part of their match. They needed to raise about \$800,000; we’re looking in the area of about \$300,000. The financing also contains a float agreement. What the float agreement does, it’s an up front payment that the City would receive to put towards the capital costs in lieu of receiving interest earnings on our debt service reserve fund going forward. And then finally again, what we’re looking at is funding this project on a net basis, because you’re looking out over such a long construction period, getting the proceeds of the issuance up front, there will be an opportunity to invest those earnings and the interest on that project fund will be used to pay for the project. Before I go to the next slide though, I do want to show once you start looking at some of these numbers, keep in mind these are the numbers as of Friday. They’re obviously subject to change with interest rates and the economy in a constant flux, but we’ll go with what we have as of Friday right now. Right now what we’re looking at, if you take the first two lines, we’re looking at \$107 million of revenue bonds and \$3 million of the QZABs. That’s the \$110 million resolution that the Board of Mayor and Aldermen have on their agenda. In addition to that, we figure the flow payment is probably worth about \$1 million. We expect to earn about \$3.3 million interest earnings on the project fund and the capital interest fund, and we also expect to get a premium from selling these bonds to the tune of again about \$3.3 million. What that does is that gives us a total of \$117,575,000 to

spend on this project. The bottom half of the screen lays out the uses for that and what we will do, and I don't know if Tim Clougherty has passed it out or not, but there's a sheet that will show you that we need a total of \$108,000,995 for the project itself. That includes all the bricks and mortar and all of the additional costs that go on top of that, such as the insurances and legal and furniture and all of the other items that we've added in there. We also again as I mentioned are using the revenue bonds so we have to pay off the capitalized interest that's \$7.5 million and again the issuance costs are roughly about \$1 million. So our sources and uses again equal here. What that \$110 million worth of debt comes out to, and again these are at current rates, is roughly \$175 million of debt service payments. The bottom section where we've got our payment sources is a breakdown of how that \$175 million is being paid. Under the sending towns what we have there is the contribution from the sending towns net of the school building aid that will be received. That is for all four of the sending towns based on 20-year participation. The State of New Hampshire, the \$33 million is the school building aid money that the City will receive back. So that \$33 does include the portion that's offset against the sending towns on the first line. The federal government in using the QZAB program is providing \$900,000 of tax credits to the project and then the school district is putting in the other \$102 million and the percentages are off to the side. Now I know one question that a lot of people have had is, if the sending towns decide to use their 10-year opt out feature, that 22 percent, the \$38,500,000, drops down to about 13 percent and that the 9 percent from the first line would drop down to Manchester's line. What we're trying to show here, the gray bars represent the new debt service based on this \$110 million. This is net of the sending town's contributions and it is also net of the school building aid. What the school board has asked for the Aldermen's benefit is that we try to minimize the amount of payments in '04 and '05. If you can see the green bars represent the school district's current debt and you can see in '06 there's a tremendous drop off due to the fiscal year conversion bonds being fully paid off at that point. In 2004 there is no new debt to the school district. As you can see in '05 there is a little bit, but what we're trying to do is keep the total debt below the current '04 debt that the school district has in their '04 budget. And as you see, because there existing debt drops off you layer in the new debt and it tends to tail off. Now the difference between the top line and the top of the gray bars, is really the capacity that we have to do future school district projects. Now this graph here reflects again all four sending communities remaining in for 20 years. We go to the next slide, what we have done here is we have kept Bedford in for just three years. Again, the other three communities stay in for 20 but we've got Bedford in here for only for three. Again you see that we are actually able to again stay below the top, the 2004 number and again it tails off. The third slide is if the four sending communities are in for 10 years and then back out and that's why you see that spike in 2014. If you look at '05 through '13, again those are the same lines you saw on the first slide, 2014 is obviously when the City would have to pick up the extra debt that the sending towns were picking up. What I will say is if you look at the, and we'll focus on '07 through '13 because most of those bars are the same. That represents about \$1.00 on the City tax rate. When you go over and you pick up the additional debt in 2014 that's about another .35 to .40 cents and that's based on today's

valuations. That then drops down all the way when you get out to 2023 to about .10 cents. It's a declining debt service. We've got level principle for the most part and as you go over time the debt service actually tails off. But that's the impact that you're looking at. That little spike that you have between 2014 and 2023. We also took a look at how this debt would fit into the overall City debt structure. Again you can see in 2005 there's a little bit that get added on there and then again as you layer that in those gray bars again are roughly about a \$1.00 on the tax rate. We've been asked how does this impact the City's overall ability to do future projects. You're current AA2 rating is based on that bar over in 2004. That's where you are right now. All of our ratios are calculated on those numbers, our debt per capita, our debt for assessed valuation, and as you can see that's close to \$23 million we currently pay for debt service, and even as you get out to as soon as '06 you're down to about \$18 million and that's with this project included. So certainly the City has the ability to finance this project; it doesn't really have any impact as far as we can tell. Obviously until we get to the rating agencies, but again where we are in '04 is a AA2 and as you can see, the debt does tail off rather quickly. Finally to sort of wrap up the financing side here, again I want to emphasize the structure that we're looking right now, these are not general obligation bonds. These are a revenue bond, including the City side. The structure does again allow for future financing. The way that we've got the debt structured for the sending communities if they do opt out after 10 years, they will actually be paying for about 60 percent of their share of the debt which means the City would have to then pick up the other 40 percent. And again I bring to your attention that the 10 percent private match that we have under QZABs; right now that \$3 million is what is available. There's obviously the possibility if that federal program gets continued that we would be able to pick up more dollars there and save more interest. We did throw on there the operational savings, I'm not sure this is the only savings that the school district is going to realize, in going through the slides that Ken was talking about I saw a lot of lights and boilers and those types of things getting changed so I'm sure there'll be some savings there. But Dr. Bass pointed out \$275,000 a year is being spent in portable classrooms and again in think that part of the intent of all of this is to get the students back in the buildings and take those portables off the property. And on that note I will turn it over to Kevin Clougherty and I believe Dr. Ludwell is...

Superintendent Dr. Ludwell stated we've been inundated with a great deal of information so I'm going to keep my remarks very short. But I thought it was important that I thank you on behalf of the schools for considering this proposal. I think you heard it's going to impact and affect nearly every school in the district and I think it does something else. Committee member Herbert mentioned this last week that the most important thing that this proposal, this project would allow us to do, would to concentrate on the educational program for the students. Dr. Bass and Dr. Aliberti alluded to several of the programs, directions the school district's going as far as a K-12 district wide revision of the curriculum. We're interested in trying to implement a gifted/talented program. We're looking at alternative education options and there are several other initiatives we reviewing and trying to implement

throughout the district. And this would allow us to concentrate on that. So thank you very much and I'll turn it over to Kevin Clougherty.

Mr. Clougherty stated I think we've been into this presentation now for almost an hour and a half so I think it's...I agree with Mike it's time to wrap it up and certainly take your questions. Two things I think you want to hear from me as finance officer is, can the City and the school district afford to do this project and I think as Randy has shown in the slide presentation that we've put together, that there is certainly ample capacity because of the way we're retiring our debt. You can maintain the same level of payments and still be able to do this project and others in the future and not have it negatively impact any of the CIP guidelines that we've adopted. We operate within some pretty strict guidelines for the issuance of debt, and because we're not adding anything in, we're just going to stay flat within what our current payment schedule is. We certainly still meet those CIP guidelines going forward, in fact, our ratios perhaps probably look a little bit better and we're a little bit stronger. The other thing as Randy had mentioned we don't expect that it will have a negative on our credit rating. Again it will have a positive because we'll be dealing with some long standing issues with the maintenance of the facilities and it will also help us to put in place some capacity issues that have been a question with rating agencies. So with that Mayor we'll conclude our comments and can take questions.

Mayor Baines stated we apologize there was a lot of choreography going on this afternoon. Randy is getting a print out of the financial information that is obviously critical important, but we can go back and reference any of that during the discussion. So I'd like to open up for general discussion and questions, and again questions you refer to you need to because we are taping it, come up and use the microphone.

Alderman Garrity asked question for Dr. Bass. Dr. Bass back early in the presentation you had a graph up there for enrollment figures for the high school students. Could we get back to that please because I don't have any of the back up information. What's the projected enrollment for the high schools in ten years without Bedford and then with Bedford?

Dr. Bass answered I think the slide that I presented for you was without Bedford. That assumes Bedford leaves after 2006.

Alderman Garrity stated currently we're at 5,300...I'm on '91 there. Dr. Bass replied we're currently 6,500. Alderman Garrity asked projected enrollment 10 years out with Hooksett, Candia and Auburn participating? Dr. Bass replied I can't read the numbers but off the top of my head I think it's around 6,700 - 6,800.

Alderman O'Neil asked Tim Clougherty there's been some discussion that they have seen significant increases in the original cost, but in a brief discussion I had with you last week you said one of the problems is that we've been working off, and I'm talking the elected

officials, been working off information that might be at least three years old, maybe two and a half years old. Can you just touch a little bit on the cost of overall project?

Tim Clougherty asked your talking about basically the differential from when it was initially proposed at \$50 to \$75 million to where we are today?

Alderman O'Neil stated yes I wrote down \$60 to \$80 million from what I remembered was the original discussion.

Mr. Clougherty stated when we put the plan together that was about 15 months ago. Now we're working from the Parsons/Brinckerhoff report that is now currently about two and a half to three years old. All the data that was generated is just about three years old. Even given that we were aware that we were at the outset of that \$75 million range. As you're aware, we re-commissioned Parsons/Brinckerhoff to reevaluate the numbers that they looked as and to reevaluate the suggestions that were included in their initial report. We went through each and every one of the schools and reassessed those engineering type deficiencies. The maintenance related deficiencies that Frank Thomas talked about and we tailored the scope of work to an actual project. When P/B initially did their study, they might identify one classroom out of a wing of classrooms to receive new flooring and correspondingly their estimates were put together that way. When we put this project together we were aware that you've one classroom in a wing that were all put in at the same time, all the flooring, we readjusted those numbers to include the replacement in the entire wing. To make it more conducive for project both from a initial cost standpoint and a cost per square foot would obviously go down, as the rest of the wing would obviously in a deteriorating condition at some point in the future. So that was the methodology that we used when we looked at the deferred maintenance issues. Obviously we had to put some real numbers to the capacity issues and some real additions, the locations for the additions and exactly how many classrooms do we need. While the report was a comprehensive report there were a lot of generalities that were used and we didn't feel that any of the different options were outlined exactly fit our needs, so we kind of used a hybrid of those assumptions. So the bottom line is, when we were all done with coming through with the program and getting an estimate from Parsons/Brinckerhoff, our program had grown from that \$75 million range to right in the \$90 million range. And then we ran into the situation where we had an option to look at a parking structure and to also to look at adding a fourth floor to Central High School. So that pretty much puts us where our construction costs are today at that \$95 million. I might add also when we went through the reevaluation with P/B it wasn't the \$15 million that was entirely due to any growth in the program, it was more due to reassessment of our hazardous materials, there are a significant amount of materials that have to be dealt with, remediated during this project and that's fully under the scope of Gilbane.

Alderman O'Neil I just wanted to again as a follow up on a conversation we had last week regards to...I asked the question if we changed the scope of the program, meaning we did the elementary, we did the middle schools, but we didn't do any of the high schools. And just doing some quick math that would come out to roughly \$66 million. If you just worked off the chart that was just handed out tonight. That wouldn't be the real number, \$66 million. It actually would be considerably higher than that. Am I correct?

Mr. Clougherty replied it would definitely be higher than that. I believe the \$66 million wouldn't...did you include any of the indirect costs that are at the bottom of that sheet? Those would obviously have to be factored in. You've got your contingencies and your insurances and legal costs, furniture and fixtures, and what have you. The middle school additions are whatever numbers you have there, I can't remember off the top of my head. But, when we put the plan together, and as we've presented it over these past 15 months, we haven't presented a shopping list and that isn't the way that we went through our request for proposal process with the firms that were at the table. If there are certain elements of the program that need to be eliminated or both boards feel would be best to eliminate, you can't take those numbers at face value. We would have to go back and sit down with Gilbane and find out exactly what those costs would be. They're inherent...not standard costs but costs that go along with any project and as soon as we start reducing the scope we're losing some of those economies of scale, so it's not a dollar for dollar trade off by any stretch.

Alderman O'Neil noted so there were deficiencies by having Gilbane additions and renovations...

Mr. Clougherty replied most definitely. When you're looking at just say Central High School for example, without looking at Gilbane's phasing schedule, I'm sure they're going to be there for a couple of years doing renovations no matter what. They're going to have a superintendent, they are going to have a project manager on the job, they're going to have a project manager on the job, probably an assistant superintendent and some laborers. All of those individuals are going to be on the job whether we're doing renovations for those two years or we're doing renovations and additions for those two years. So there are some economies of scale.

Alderman O'Neil interjected so it's actually the best bang for our buck then.

Mr. Clougherty replied it really is.

Alderman O'Neil asked just a final question for you, these indirect costs are just guidelines?

Mr. Clougherty answered you could look at them as guidelines or you could look at them as budgets. We're looking at them as budgets. Obviously contingency, we're hoping we don't

use all of that. Furniture and equipment, we won't be spending more than the \$2.5 million that's allocated.

Alderman O'Neil asked for instance, where did that number come from?

Mr. Clougherty replied we worked with a furniture vendor to come up with some of the high school numbers and used a proportional escalation for the middle school portion. The insurance and legal costs are based on a loss ratio. Because we're going with an owner-controlled insurance policy, those costs are liquid until the job is complete. The program management is based on a budget, historical percentages for a project of this nature, and our permanent utility costs come directly from our percentages prescribed by the building department.

Alderman O'Neil asked some of that money for permitting is going to come back to the general fund?

Mr. Clougherty answered potentially. That's the way we have it programmed right now. That's the way the rest of the projects that run through the CIP work.

Alderman O'Neil stated Your Honor can I just make a brief comment. I think this is the best chance we've had in certainly my time in City government to get our schools fixed up and I would encourage my colleagues when the appropriate time down the road for the vote to strongly consider it and if they have questions to please reach out to the staff to get the answers.

Alderman DeVries stated I'd like to take us back or forward I guess from this to the school bonding capacity and probably Brad or Kevin Clougherty, Randy or Kevin. Whoever wants to take me through that. To get you thinking...my question of course all along has been as previously asked at the school board meeting, is there going to be the capacity for the potential elementary additions that might be needed throughout the City? Specifically the south end? And I understand you have said that there will be full future capacity. You're showing me that that capacity will reach us in 2006? Is that correct?

Mr. Sherman replied what we've done here in 2004, we currently have just over \$3 million of school projects that have been authorized that Tim's currently working on. There's a couple of kindergarten...that debt is included in the '04 operating budget for the school district. So we started with the '04 as our ceiling. Now when we tried to layer in the new debt, what we were asked to do by the school board was to stay below that ceiling, not go any higher. Now if you take that, there is a few hundred thousand dollars that we're actually under in '05 from the ceiling, '06 obviously there's move, '07 it goes back up the other way. But it really starts to then in '08, '09 and '10 start to really drop off. We have capacity to do other projects. As a matter of fact I think the Mayor has put in for next year to do some of

Memorial field. That would fall in here. Again these numbers aren't set yet. And there is nothing that says you can't go over that ceiling. That's where we are right now and that's what we were asked to look at and stay within.

Alderman DeVries stated so basically your agreeing with me in 2005 it looks like there's a half a million dollars of available capacity at the school level. So half a million dollars probably wouldn't make it for the elementary additions, so you're looking at 2006?

Mr. Sherman answered 2006.

Alderman DeVries stated I know several of the school board members have been pushing that issue as well and I wanted to bank my fellow south end school board members, Paradise and Beaudry. Maybe Dr. Aliberti could or other Dr. Bass... As far as the methodology that you are currently using to address the capacity issues, that's being evaluated so potentially we're not working off the census, we're going off other additional information and that's why you're saying there may be the need for additional classrooms at the elementary level?

Dr. Aliberti responded not only is it enrollment issues that we're seeing as far as those spiked peaks that we're seeing in those earlier...due to home starts and developments in rental areas, but it's also programs that we've added in the original design of some of those buildings. So there's really three pieces that we're trying to take a look at and address. I've already asked the elementary principals and they have already submitted to me issues around instructional spaces that are in the building. And I know the City not too long ago, because my secretary actually worked on it, did a piece through the Redicker System to identify the address of students at various grade levels and I understand the City is using that information to help determine where populations are, our student population growths are occurring in the City.

Alderman DeVries asked is it your best guess that 2006 might be the appropriate time when the school administration, school board are ready for an elementary addition?

Dr. Aliberti responded I would hope that we could do that... Actually as far as us being prepared, I'd actually hope that we could have that prepared before that time.

Alderman DeVries stated now I'll shoot back to Kevin. If they are prepared with a decision before 2006, is there a way that could be added on to this particular design/build project, looking at only the half million available in 2005? How is that going to line up that we can expedite that need?

Mr. Sherman answered what I would say is I think this project is fully loaded and ready to go and shouldn't really be held down by adding in other projects to it. However, what I would also say is we will be issuing debt this year. For the '04, we'll probably include the '04, for

the '05 and '06 projects even though they are authorized in those years we probably will not be issuing the debt for at least two more years. So even though you've got a project that is fully underway, say next summer so you can be ready, it's not going to hit on this graph until '06 at the earliest and most likely '07. So yes, there's no reason to hold back those projects because again what you see here, assuming that these gray bars truly represent the debt service on this project, you're not going to be adding anything to '04 or '05 and probably nothing to '06.

Alderman DeVries stated certainly we would at least be able to take advantage of the design phase for an elementary addition and get the economy of scale savings of that.

Mr. Sherman answered absolutely.

Alderman Shea stated I don't know who to start with here, but let me indicate first of all Your Honor the assistant superintendent for elementary did indicate that there would be additional students that would be coming forth from the elementary to the middle schools, subsequently of course to the high schools in Manchester. Is that my understanding Superintendent Aliberti?

Dr. Aliberti replied the enrollments that progressed that way naturally, from elementary to middle school to high school. The elementary enrollments, what I was saying as far as the elementary enrollments was concerned is that, if you look at the elementary enrollments, what I was referring to was actually this years' enrollment figures. They have the enrollment figure right now around 7,000 students for capacity and what I was saying was they were around 6,986 plus if you add in the preschool programs that are housed in the elementary schools, we're close to 7,100 and that didn't include, there's another around 170 students at the developmental preschool at the Easter Seals building on Auburn Street. So there's a number of students...all I was doing was comparing the capacity to enrollments at the elementary level at this point in time.

Alderman Shea asked if such be the case, then shouldn't our focus as a community first primarily be on the elementary and middle schools situation? In your opinion is that a correct assumption?

Dr. Aliberti responded you're asking the wrong person because I'd always be advocating for the elementary schools.

Alderman Shea stated I think I'm asking the right person.

Dr. Aliberti continued but if you wanted to be politically correct I think Dr. Bass's enrollment numbers were far greater than the ones at the elementary level. I think he was quoting that Memorial for example had 350 kids that they are over in their enrollment and

the other two high schools were slightly less than that. So the numbers are a little bit higher at the secondary level than they are at the elementary level. What's happening at the elementary level is we're experiencing those spikes as well as the added programs that we've added. That's what's causing the concern at the elementary level from my perspective.

Superintendent Ludwell added one of the points we have to keep in mind and somebody mentioned it earlier in the presentation, this project is needed throughout the district not just at the elementary and not just at the middle or the high school. Dr. Bass cited some numbers that currently we have a real critical need for space at our high school level. That's not to diminish the need to address the issue at the elementary, middle school also. But I think it's across the board that we have to look at. I think that's what Dr. Aliberti is trying to identify now, get a tighter feel for the elementary.

Alderman Shea continued at the...I'm not sure if Gilbane should answer this or a bonding person as well. My question would be, and I'm not sure if Alderman O'Neil hit upon it or not, but can Gilbane begin the project at the elementary and middle schools without necessarily doing anything at the same time at the high school levels? That's the question I'm asking.

Doug Butler with Gilbane responded the schedule that was flashed up there quickly, indicates that we're actually planning on starting at the elementary schools simultaneously with the high school program. Because we had to sort of prioritize the design work, we've set up a separate team to deal with the elementary schools, so we're going to have a separate team working on the design of those elementary school programs. We picked the high schools because they seemed to be the largest in terms of duration, so we want to start the design work there as well and the middle schools sort of flow into it as we get further downstream.

Alderman Shea stated but my question is could you work at the elementary and middle schools without necessarily having anything, initially at the high school? Because we're still...it's my understanding that we do not have any kind of agreement with sending schools. There was an agreement predicated upon four schools coming into Manchester. Three signed according to my understanding of the agreement, the fourth did not. Which means I guess that maybe...I misunderstand this, but I don't believe that there is an agreement at this time with the four sending schools.

Mayor Baines noted I'd like the vice-chairman of the school board to address that for you.

School Committee Vice-Chairman Stewart responded the tuition agreements called for all four schools to sign on and that the agreement would say exactly the same way it was if all four did. We do have an agreement that has been voted on by three districts and our counsel as well as our superintendent are now going back to those three districts just to finalize the

few items that need to be adjusted. Those would be items such as what their capital costs would be to be paid as well as the schools that those students will be sent to in terms of the capacities that they could have at those schools. We feel as though there is very much an agreement. In fact the school board has been acting just as if there is an agreement. The sending districts have been joining us at our meetings at this point in time, they're participating at our meetings and they are considering themselves to be partners in this program.

Alderman Shea stated now we have to vote on this by the 15th of April. Will you have an answer for us by then?

Ms. Stewart answered from the three schools? That's where we're working right now and I think the superintendent has meetings scheduled, but we're working on that right now. We don't anticipate that there's any problem at those three districts. Obviously the Bedford situation if you read in the paper last week, their school district agreed to go back to another vote for consideration in Bedford. We've told them we won't renegotiate the agreement that was presented, but if they wanted to go back and vote and take that agreement we would certainly welcome them here under those circumstances.

Dr. Ludwell stated I think the district...the board and administration both in Manchester and at the sending districts feel of the three districts, towns that approved the agreement feel that that's a strong commitment and there's no wavering. We have meetings scheduled simply to clean up the document given the absence of Bedford. But that's the only reason for delay.

Mayor Baines stated please be patient with me because the chairman of the finance committee was part of those negotiations all those months, he'd like to just offer a response to your questions and then...

Dr. Ludwell stated and I just want to emphasize what Vice Chairman Stewart said. The agreement was written with a provision that contemplated the possibility that one of the districts would vote no and it has a protocol for what your supposed to do if one of them votes no and it says you're supposed to go back and ask to...a couple of provisions of the agreement that Mrs. Stewart talked about the formulas. You go back and you renegotiate the formulas accordingly. We expect that it's largely a mathematical exercise at this point, you just have to rejigger the formula as to the three towns and so we don't expect any difficulty with that and we know very much that the three towns are anxious to get it all penned. So we don't find that with those three towns there's going to be an issue – this is Hooksett, Auburn, also Candia.

Alderman Shea said one last question I have some more for later on. Frank Bass. Frank you had a very nice presentation of course we know each other from years back. My question to

you is are the high schools at present or in the immediate future overcrowded because of tuition students?

Dr. Bass answered the high schools at present are clearly overcrowded. That's first and foremost. All three schools are overcrowded. To factor out the tuition students is a little bit different. For example, at West High School you realize of course that nearly 45 or 46 percent of the student body is from Bedford, so that certainly would reduce the problem over there. If you look at Memorial High School on the other hand, you really only have about 232 kids from Auburn. If you reduce the number 350, I think I quoted 375, by 232 you're still a hundred or so kids overcrowded at Memorial High School. Central High School currently has about 335 kids from Hooksett. Central is about 287 over crowded, so that would bring it back to close to even. But even without the sending schools, the three schools are, except for Bedford, are over crowded. Memorial most especially.

Alderman Lopez stated I'd like to go back to a couple of things. First of all a very simple question would be for Gilbane. In reference to hiring people locally or what kind of program have you developed within your plan to ensure that the citizens of Manchester get a fair opportunity for this multi million dollar project?

Mr. Butler answered when we did the Verizon center we had a local resident hiring program and our plan would be to carry forward a similar version of that to the school program. It relied heavily upon the ability for the local contractors to attract local labor to the project and we had a complete reporting system. We had an employment committee that monitored the results of the program and I think the success was very good at Verizon. We had something like 30 percent of the trade work on the project was done by Manchester residents and we would like to see the same type of program used here again.

Alderman Lopez asked in bidding for this project, do I understand you correctly from a previous question, it's sort of like a whole ball of wax when you can't divide it up?

Mr. Butler replied certainly from our planning perspective as was mentioned earlier, there are economies of scale that we have taken advantage of and I think Tim mentioned the fact that some of the schools have renovations ongoing and new work ongoing. We need to staff the job regardless so you can get more bang for your dollar by going with the full program and that's the way we have structured it.

Alderman Lopez stated in reference to, I think it has to be explained just a little bit more, maybe not for you Mr. Gilbane I don't think so. But back in October of 2001 when this whole plan was proposed eight year capital improvement plan and we went through 2002, we went through and figured out that we would need a total, Kevin or Randy I think this would probably be for you, since you guys put this together. A total of \$72 million in order to do certain projects within the City. You probably don't know tonight but I think we need

find out exactly whether or not those projects were totally complete. Information systems for an example was \$2 million, motorized equipment replacement, which you always have a problem with, was \$14 million. I don't expect you to answer that tonight but those are some of the things...this was a document that was passed out and proposed an eight-year capital improvement plan.

Kevin Clougherty responded Alderman it's my recollection is that was prepared by Bob McKenzie in concert with the Mayor's budget staff and we could certainly go back and verify those numbers for you.

Alderman Lopez stated I would appreciate that because it would be important because as we look for the future which you indicate saying we'll have enough money. I think that there are some things in the budget that I won't get into tonight, for example a new Highway Department, \$9 million that's calculated out there over the years. And see if we can do those particular programs. Maybe Tom Clark...there was a statement made in reference to Cole protesting this bid process, could you enlighten us what the procedure is here?

Mr. Tom Clark answered yes; the RFP set up a procedure for a protest. Cole has filed a protest. There will be a hearing scheduled where they'll be able to come in and give their side of the story and will be taken under consideration.

Alderman Lopez asked will that be before or can we, if we approve this project, what happens? To clarify what I'm saying, if we approve this project, will the process of protest still go forward? Or would the protest be handled first?

Mr. Clark noted the protest hearing is scheduled for April 9th.

Alderman Lopez stated on the numbers of the students we always have a problem in reference to the planning for the City of Manchester and the school department. Have these numbers for the school been verified by the planning, or is there any dispute there?

Dr. Bass answered the numbers that we got are from the Office of State Planning and the Parsons/Brinckerhoff study which was done a few years back. I think as Tim Clougherty mentioned earlier there's a number of places where you can get the numbers. The Department of Education, the Office of State Planning, the Parsons/Brinckerhoff study which in turn used the Office of State Planning and the Department of Education. There's also an organization called NESDEC which also puts out numbers, even the Manchester school department had a series of numbers. So there are a lot of places in which numbers can be derived in terms of where our projections are but by in large to answer your question simply the Office of State Planning is the numbers we have used because historically those are the ones most of the State has used as well.

Alderman Lopez asked have you coordinated anything with our Planning Department, Mr. McKenzie in reference to the numbers that you're saying that's going to happen versus the numbers he has given on other projects?

Dr. Bass replied Alderman the numbers were correlated in the original Parsons/Brinckerhoff report with our planning department.

School Committee Member Perry noted a follow up on the issue of the contest of the bid by Cole. Can the contract be awarded during the process and if they don't like the decision that comes from whatever message you've given them to contest, what's next? If they litigate would that take it to court? Would that delay the process as well?

Mr. Clark stated I prefer not to get into hypotheticals of what could or could not happen. As I said the hearing is set for April 9th. Both parties will be allowed to come in and present whatever they wish to present to the City. A decision will then be made as to whether we believe the protest is valid or not and a decision will be made. What the parties do after that is up to them. Whether they go to court or they don't, I don't...you'd have to find out later.

Mr. Perry asked from the sheet we were passed out on the financing what is program management? What exactly does that entail?

Tim Clougherty responded the program management services that you have on the sheet is essentially highly technical clerk of the works that has management capabilities, reporting capabilities, financial change orders. They're essentially going to act as an extension of the department of Public Works to help us in administering a \$100 million construction project over such a time frame. We clearly don't have the staff currently to handle the administration of that nor would we want to hire on a temporary basis to take care of that.

Mr. Perry asked that cost is \$2.5 million?

Tim Clougherty replied that's our estimate right now, yes.

Mr. Perry asked Kevin Clougherty as far as looking at the numbers that you gave us on the debt service funding, the State of NH, \$33 million. The source of that comes from where?

Randy Sherman replied the \$33 million is the school building aid money. That's the 30 percent of the principle. So we're basing the bonds on a \$110 million, that's the \$33 million.

Mr. Perry asked will they fund renovations versus capital? I'd heard from Concord that it was capital projects only and not renovations, flooring and the like.

Mr. Sherman replied my understanding is you've go to get your projects approved, but renovations...we've gotten school building aid in the past for that.

Kevin Clougherty interjected it has to be substantial. Which this project would qualify.

Alderman Osborne stated I have just a couple of questions. One is on asbestos. How are we doing right now in the schools with asbestos?

Tim Clougherty replied how we're doing I terms of asbestos is all relative. It's in our schools. There's no doubt there. We assess it on an annual basis and we have a professional consultant come in to do, I believe its every three years, an AHERA report in accordance with state and federal regulations. We have removed asbestos ceilings from all schools except for one, which is Beech Street School, and that's included as part of this program.

Alderman Osborne asked is that what this is here the remove associated ACM.

Tim Clougherty replied correct. There's asbestos in a wide variety building materials or building products.

Alderman Osborne inquired do you think we should be taking care of this in the near future?

Tim Clougherty replied we are taking care of it.

Alderman Osborne continued OK. As far as expansion, as far as the overcrowding at the Beech Street School and also the Wilson School, I notice there's no expansion here at all. How are they going to take care of this? Where they are overcrowded. How long will this take?

Superintendent Ludwell answered it depends on what we can do as far as we move ahead with this particular design-build plan and what can be added on at the elementary level. Right now the focus is for renovations and maintenance at the elementary schools.

Alderman Osborne asked so there is no...would it be five years or would it take three years.

Superintendent Ludwell replied I can't answer that question for you because it depends on how fast we move ahead with what we can get out of consultants and construction specialists associated with this design-build for looking at what can be done at the elementary level for additions.

Alderman Osborne asked could this be done through redistricting.

Superintendent Ludwell answered I don't see that as a possibility at the elementary level just because of the number of schools that have other issues that are outside of the enrollment area and I refer to that as that program analysis piece because each one of the schools has programming needs within those schools that aren't going to be addressed simply by redistricting because those programs are still going to be in existence and what you need to do is provide instructional spaces within those schools for those programs and teachers. Let me give you an example. Wilson School for example has a collaborative with Lesley College. They have trained three teachers to be reading recovery teachers. It is a very specialized remedial reading program. Those teachers don't have instructional spaces within the school so they have kind of a makeshift area that they are using off a hallway for working with students. It is that kind of programming need that I see at the elementary level.

Alderman Osborne stated I have a follow-up on the...I think it is \$3.1 million for the garage. Is that the figure? I know it didn't come up tonight at all. The \$3.1 million is that in the high school additions, the \$29 million?

Mr. Tim Clougherty replied that is part of that \$29 million. That is correct.

School Committee Member Gross stated my comments are on the project finances and I would like Mr. Kevin Clougherty to make his way up. When I look at the whole project it appears that most of the elementary schools are getting a complete overhaul. They are getting roofs, floors and paint so when residents of the City actually at the schools that their children attend they will see that each one of their schools is getting quite an overhaul. I know when we built the civic center one of the thriving arguments was that it would have a great effect on the valuation of the City, which would eventually translate into increased property values downtown and increased tax revenues. I am wondering if you have any kind of projection or thought process...I know I own a house on the East side and I am wondering if when they redo West and they redo Green Acres and it looks spanking new whether that will have a direct affect on the valuation of my home and probably more importantly will this affect our bond rating both ways. In other words if we do the project do you see it helping...how do the bond companies react to that and if we don't do the project is there a possibility side affect from a purely financial standpoint?

Mr. Kevin Clougherty responded the valuation question with Verizon was to bring in new businesses. With respect to your neighborhood and the value of your house it is going to be supply and demand. If there is a better school or a school that now is enhanced in terms of its curriculum and in terms of its ratios and all of those other things that the renovation project results in then if people want to go to that school then your house is going to become more valuable. Now there may be some movement within the City between neighborhoods but there may be some movement from outside the City into the City of Manchester not so much from our suburbs but from other parts of the country. When businesses come in to look at the City of Manchester the first thing they are going to ask is where are the schools

and how do they look and what is their condition. That does have a potential economic benefit and stabilizing effect on the City. In light of that, that is how the credit rating analysts will look at the question of in part does this renovation project make sense for the City. They will certainly look at the dollars and look at the potential for valuation growth but they are going to take a look at how does this particular project fit in to the whole fabric of capital development that the City is carrying on. You have improvements in investments that the City has made in its infrastructure and its roads and its wastewater treatment plant and its airport. All of these things are important...you know our attention to the environmental needs on Hackett Hill. All of these things show in concert a management approach by the City to address all of its vital needs. I think that the analysts will look positively on a project like this and certainly because it is within what you are paying now it is something that may even strengthen the rating.

School Committee Member Gross asked so that I truly understand the financial part, right now we are paying about \$9 million or we are making a \$9 million a year payments on debt and because some of that debt is going to get paid off we have the capacity to keep our payments...actually our payments would be lower than they are today even if we do this whole project. Is that correct?

Mr. Kevin Clougherty answered right.

School Committee Member Gross stated the reason I ask that is I know people say when you are going to spend all of this money and it has to come from somewhere. So that people understand our ability to pay this, could you explain?

Mr. Kevin Clougherty responded as you can see on this slide this is what you are paying in debt service right now in the School District's budget – that \$9 million and then it drops and it tails off. If you were to keep this straight it would have no impact on the tax rate. That is already in your budget now. You are already paying that. What we have been asked to do is try to keep within that amount and to layer at that end and we have given a couple of different scenarios as to how that might happen. This is the one that Randy had worked on today. The illustration here is certainly you can live within the debt service that you are paying and have the capacity to do things moving forward and that is what the rating agencies are going to look at too because even doing this project you still tail off in a relatively short period here. We have criteria that we are measured on by the rating agencies. They look at your debt per capita. They look at your debt per assessed valuation. They look at the percentage of your budgets – school and City that are devoted to debt service and to capital as opposed to operating expenses and all of those things have to fall within pretty tight ratios. Even at this level we fall well within the CIP guidelines for the rating agencies. If you are going to issue more projects but still stay within that same level then naturally the same guidelines are going to continue to work and that doesn't take into consideration that at the same time your debt service is flattening or going down with this project we expect your

valuation is going to be going up. I think that is what Randy was trying to...in answer to Alderman DeVries' question earlier is this is just if you keep everything flat. We expect you are going to have some valuations going up and that is going to help to be able to grow that capacity. Those aren't reflected here. We haven't tried to forecast that or guess that. We have tried to tell you that you can do this project and still live within what you are paying now and be able to move forward. We think that is a positive from the rating agency side.

School Committee Member Stewart stated my questions are for Tim Clougherty and the representative from Gilbane and also probably the representative from Lavallee-Brensinger. We are talking about expansion and renovation programs in all of the schools and I am wondering at what point do school administrators, including our principals, get to look at the function of what is happening and does it work for them and the finishes and equipment and things like that? How do they play a role in this process and at what point do they do that?

Mr. Tim Clougherty responded our plan is to get in touch with the principals where we are going to be doing the additions immediately upon contract award to start looking at the designs. If you recall we did provide some baseline designs as part of our RFP that Gilbane and Lavallee-Brensinger's proposal was based on. Furthermore, we have contractually required percentage points of design that require submissions and approval of those submissions prior to moving forward. In other words at the 20% design level we need to get a submission from them and we need to make sure that it meets the criteria that we prescribed, as well as the educational criteria that was prescribed. Again, they go back and start designing again and at the 50% level we do the same type of process again and when we do the same thing at the 100% level. It is to make sure that everything is in line. We have talked with LBPA and Gilbane about making sure that we have input right from the start to try to head off any potential problems. I talked on Thursday night about the need to be able to order steel and to get that process moving quickly. Well that is relatively small in comparison or it is large in comparison to being able to change interior walls around. That is not really a large design function that can't be handled on a one-on-one basis. We also talked about the need to move the entrance at West High School in the North direction so from our perspective and Fred can touch on this as well, we have made plans and we have controls in our contract to allow for that.

Mr. Fred Urtz, Lavallee-Brensinger Architects stated I really would reiterate what Tim said. We factored into our schedule, which is the design component of Gilbane's overall development schedule time to meet with representatives from each of the schools be they administrative staff, student groups or whatever to talk through the state of the design as it has been submitted as part of the response to the RFP and to shake out functional or programmatic issues really on Day 1. It is the first task we do once the project is approved to move forward. Then as Tim said it is in large part a fast track and complex procedure to get all of the projects moving forward in an organized fashion but we can work with the representatives of each of the schools to commit to, as Tim mentioned, the overall footprint

so we can get the foundations and the steel in place and get that order still leaving lots of time to talk about the finer details of individual rooms, fit up for those rooms, corridor locations, finishes and those sorts of things. There are a number of periods throughout the process of the design and construction where there will be opportunities for continued discussion about the functionality if you will of the design.

Mr. Tim Clougherty stated that is really one of the advantages of this design-build project delivery method is to start the construction on the shell, the super structure of the building, while we are still doing the design on the interior rather than waiting until we have a whole set of documents and then putting the whole project out to bid. I think that is a big part of the reason we are seeing a 44 month project completion at the outset.

School Committee Member Stewart stated Tim you mentioned changes and there is a 6% contingency built into the budget. Is contingency for surprises or changes or both and tell me how changes work and also is a 6% contingency typical for this size project?

Mr. Tim Clougherty replied in my experience I have never done a school project of this magnitude so maybe Bill Gilbane or Ken can talk about the adequacy of that number. As far as the changes go the changes are for unforeseen conditions. Alderman Osborne brought some things up about hazardous materials. There are situations such as that that we don't know about. When we tear off a roof to install a new roof there may be some material in there that we didn't know about that is hazardous and creates a costlier removal process so those are the kinds of situations we are looking for that \$6 million to handle. Those are really the only kinds of situations that we are looking for that \$6 million to work for us. I would love to see at the end of the project \$5 million of that \$6 million left and be able to say maybe we could expand the program or look at other expansion issues along that scope.

School Committee Member Stewart asked could Mr. Urtz or Mr. Gilbane talk to me about the contingency and is that typical for a project this size.

Mr. Gilbane responded as a percentage that is a pretty good number. We usually use 5% on the low end for new construction and 7% or 7.5% on the high end for renovations so this is right in the middle. It is a pretty solid number.

School Committee Member Stewart asked what about maintenance. One of the things that we always kind of cringe about at the School District is we have had delayed maintenance and sometimes we have a number of maintenance issues that can be surprises. What kind of things are built in for maintenance in the long run?

Mr. Clougherty asked could you repeat that.

School Committee Member Stewart asked is there anything in the contract that talks about maintenance or a guarantee of materials or workmanship or things like that.

Mr. Tim Clougherty responded we don't specifically ask for maintenance. This isn't a maintenance contract. What we do require is that all materials be warranted. Different materials are warranted for different periods depending on what they are. Roofs, for example, I think have a 15-year warranty or something like that. For flooring systems you rely on the manufacturer's warranty and also workmanship warranties are typically a year or two years. We also require that we be provided with operation and maintenance manuals at the completion of each project for each building telling us exactly what we need to do to make sure this product lasts according to its prescribed lifetime. What we anticipate seeing with the replacement of a lot of the heating systems and replacement of flooring systems and replacement of roofs...we at the Department of Public Works anticipate seeing a strategy change going from a reactive nature basically jumping when we have a roof leak and jumping when we have a boiler that isn't working properly to a more proactive nature. Let's spend more time maintaining our equipment on preventive maintenance so we are not jumping at emergency situations and we can plan better for capital replacement as we move forward into the future.

School Committee Member Stewart asked how does the Building Department and the Fire Department and any kind of safety issues...how do they work with the contractors in this case. Do they have...Fred you were talking about the designers doing 20% completion and 50%, do they work with us all along or do they just come in at the end?

Mr. Urtz answered they would be working with us through the course of the project. For instance when we go in and pick a system to renovate or extend a fire alarm system in one of the elementary schools we will be working with the Fire Department to identify the components of that system and where the enunciator goes and where there are tamper valve locations just as we would on any project in the City. They obviously are a key department to touch base with to make sure that all of the components meet their requirements for protecting the safety of the people at the school. They would be integrated into the flow of the design project.

School Committee Member Stewart stated I just want to go back to the disruption of classes and how during the construction period we want to minimize the disruption but I am picturing particularly at our three high schools and our middle schools that we have overcrowding so knowing that we want to get in to do renovations also while school is in session...somebody from Gilbane may have mislead me. They were talking about weekly meetings with the principals but there would be more and I am guessing and I just want to be confirmed on this that there would be more lead time than a week in terms of saying we are going into the second floor of the James Building next week. Could somebody comment a little bit further on that kind of scenario because that is very important to us?

Mr. Gilbane stated when we talk about a disruption plan and minimizing the disruption we are talking about long-term planning. We have already looked at all of the schools and we think we have a good plan and we have talked with Tim about it. There will be more than a week. When we were talking about Memorial High School as an example most of the work for those systems includes the corridors but it also involves every classroom so we would probably go after the first week and probably do the renovations to the classrooms at nighttime and get a feel for what it takes to do a classroom and then decide with the staff how many classrooms we can do in a week, a night or a day to make sure they are back in operation the next morning. That is basically how we would approach it. It is a long-term plan, definitely long-term.

School Committee Member Herbert asked, Tim, could you go over again in reference to the parking garage at Central High School there are parking issues on the West Side as well with West High School but in terms of the Central parking garage could you give the pros and cons and the thought process behind the recommendation that is contained for the garage, including the size. Secondly, I am interested in an explanation for the administration in regards to recommended minimums on classroom space versus what is actually recommended for the buildings we have. I think some of the overcrowding statistics that have been given are based on a certain minimum amount of space that we can get by with but if you compare our current population to the recommendations made for the amount of space for our population then you can see that our overcrowding situation is actually more severe than has been represented. First, I would be interested in hearing again about the Central High garage.

Mr. Tim Clougherty responded we felt that there were several benefits when we were doing an analysis of the cost associated with an underground structure. First of all and most obvious is the parking benefit. All faculty members at Central High School will be afforded the luxury of an underground covered parking space. It goes without saying. The garage as it is currently scheduled and proposed and accepted by the School District is 160 cars so we are going to have more than adequate space for the faculty and there will be some decisions that the faculty can make regarding those extra spaces like perhaps incentive programs for students and things like that. We also looked at the fact that there is a schedule benefit for the construction. We can start construction immediately with the underground parking structure whereas if we had to go with our initial plan, which would be land acquisition, we would be waiting for that entire timeframe while we went through potentially the eminent domain process on nine plus structures. That is not only a logistical benefit where we can start now and get the kids in now, but it is also monetary. Time, value and money associated with whatever the construction cost is at Central is in excess of \$15 million. If we have that \$15 million sitting in a bank from now until the time the eminent domain process goes through it is obviously not working for us. The other thing that we looked at was a community benefit. We are going to be removing 160 cars from those streets surrounding

Central High School. They are now going to be in that underground parking garage so all of the people who live on Ash Street and Concord Street and Amherst and Lowell, they are going to have the benefit of more on-street parking for themselves. They won't be fighting with a kid coming in his parent's SUV to park at school. There are 160 spaces that are going to be made available. The biggest thing of all, I think, are social benefits. We are going to be eliminating the need to displace families from those multi tenement structures that surround Central High School and I think that that is probably the single largest benefit to this program. You can talk about the dollars. Yes, the parking garage does cost more. There is no doubt there. There is also a monetary cost associated with taking nine homes but there is obviously a much greater social cost with that.

School Committee Member Ouellette asked the 10% private match, are there any ideas or have there been any discussions on how that is going to be accomplished.

Mr. Randy Sherman replied you would actually have to go out and market those to businesses. What we were able to do is get a copy of the deal that Springfield, MA put together. They went out to the banks and insurance companies and like I mentioned I believe Dell Computer and the utilities. In some cases they were able to procure teachers to come in or professionals to come in and teach classes and there was a value put on that. Some of that was actual cash that was paid. The biggest single contribution was from Dell with the \$300,000 but we would have to know what the amount is and then we would have to go out and try to market that for the contributions.

School Committee Member Ouellette stated basically my comments are this. A very small part of this project are the high school project and I think it is very important that we go forward with the high school project as proposed because as we saw in the enrollment projections in 2012 we are going to be at just about the same point in enrollment that we are right now. Ladies and Gentlemen, the puzzle is not going to fit unless we do the complete project. That is why we on the Curriculum & Instruction Committee have asked the Superintendent to come up with a committee of 15 people from School Board members from the surrounding towns and Manchester and community groups and business groups and faculty from West High School to come up with creative ways to draw attention to West and to make children want to come to West as an option and not have to try and redistrict everybody because redistricting is very disruptive and I don't think anybody wants to do that. I think that the project going forward it is very important that we keep that in mind. I believe the addition at West is approximately \$4 million so at 2.6% you are really not saving a lot of money in terms of the whole scope of the project. I think that there are a lot of programmatic changes that could happen and a lot of ideas that have been floating around the district since I have been sitting here for five years now. It would be really exciting if we could advance those. In terms of the parking garage over at Central, coming from the neighborhood where I grew up, I grew up on Skylar Street, which is about a block north of West High School and that was before the extra parking spaces were there that are there

now. I am going to tell you that it is critical to the neighborhood to have those extra parking spaces. It is a luxury for people to be able to have a parking space in front of their homes. I know that Alderman Sysyn lives right next to Central as well so she knows exactly what I am talking about. It is a very dangerous situation for children playing in those neighborhoods as well. I think that is a critical part of the project. In terms of additions at the elementary schools as Kevin has proven we can look at those as time goes on because we have seen the projection enrollments in our elementary schools are going to be going down. In terms of building in the South, everybody knows that School Committeewoman Paradis has been a hawk in watching that growth and she is always bringing that to our attention. We understand that there are a lot of building projects going on in the South end and there are some continuing on the West Side as well. I think there will be room in the future for additions at the elementary schools. The elementary schools will not be forgotten but I think when it does go forward we are all going to be taking a giant step forward in terms of moving the whole entire City and the community forward as to where we want to be in the future.

Mayor Baines stated apologies to Committee member Herbert. There was a second question that Dr. Bass was prepared to answer.

Dr. Bass stated when you move from minimums to recommend the numbers served. We talked about West High School being 154 over capacity and when you go to the recommended that number now moves to 435 so that is 435 kids over the recommended capacity at West High School. When you go to Central High School the number moves from 285 to almost 600 so that is nearly 600 students over capacity at Central High School. Lastly on to Memorial. Memorial is at 350. When you go to recommended that number goes to over 650. So Memorial High School is well over 650 students beyond the recommended capacity.

Mayor Baines asked is there anyone who hasn't spoken. There are a number of people who have indicated they want a second round but I am going to go with new voices at this time.

Alderman Gatsas stated I commend everybody for the great work that you have done. I am interested in listening so that we can understand how we are going to pay for the debt. I guess maybe that is my question. Mr. Sherman and Mr. Clougherty I hope you can help me with this. The sending towns show a \$38.5 million payment source, which talks about that being 22%. Can you break that down for me for the number of students that are being sent and the cost of those students that the communities are sending?

Mr. Randy Sherman replied I can but I don't have that with me. I have that \$38.5 broken down on an annual basis both by principal and interest and how much each community is paying and how much each community gets back in school building aid. I could take that and certainly divide it out by student and come up with that. When I looked at those

numbers it wasn't based on a per student basis as much as it was based on the caps that were in the tuition agreement. Allocating it on a tuition basis is more the district's issue but I certainly can take those numbers and go back and provide that to you. I just want you to know that those numbers are constantly changing.

Alderman Gatsas stated we have to have some starting point.

Mr. Sherman replied I can certainly do that.

Alderman Gatsas stated I guess you will prepare that so the \$38.5 million...that includes the Bedford students.

Mr. Sherman replied yes that number includes the Bedford students.

Alderman Gatsas asked so that 22% is going to be reduced by what amount that is going to drop down to the City side.

Mr. Sherman answered the \$38.5 million includes all four sending communities for 20 years. If all four sending communities chose to opt out after 10, that 22% drops down to about 13%.

Alderman Gatsas asked so that 13% drops down to the bottom line and that means that the City at the end of 10 years would be somewhere around...

Mr. Sherman interjected 67%. The 22% drops to 13% and that 9% then drops down to the Manchester line, which would put us at about 67%.

Alderman Gatsas responded that is with the assumption that Bedford is in that 22%.

Mr. Sherman replied Bedford is in the 22%.

Alderman Gatsas stated let's extract them because right now they aren't so that number has to drop to the bottom line. They will only be here for four years?

Mr. Sherman replied right but what we have looked at is a scenario that would in essence put Bedford in the same position, as they would have been if they had accepted the agreement and then opted out after three years. Under that scenario they still would have paid 10 years worth. So what we have, even if they choose to only sign up for three years and that is when they think they can get out or four years because that is when they think they can build a school the graph that we had with the three years actually has them paying the same amount they would if they had adopted the agreement and stayed for 10. It is in the position of staff that they should not have received a benefit by voting no on the agreement and being able to

drop out after three. Any of the other three sending towns can drop out after three if they choose to but they have to continue to pay. So we are structuring the deal for Bedford over a shorter period of time but we are looking to recoup those same payments as if they had adopted the agreement.

Alderman Gatsas asked and State law allows you to do that.

Mr. Sherman answered in the discussions that we have had with the State we can do that.

Alderman Gatsas stated the second one, the State of New Hampshire, the \$33 million in what year does that start.

Mr. Sherman replied typically you start receiving your school building aid after the project is complete and you have your final sign-offs from the State so as a project is done and that doesn't mean the entire Memorial High School gets completed but after a project is done and you send that up to the State it obviously has to go through an appropriation process and get into a budget. We would anticipate at this point that the earliest you would start to see some of those dollars would probably be FY06.

Alderman Gatsas asked and you are aware that there has been a cap put on the building aid.

Mr. Sherman answered yes we are aware of that.

Alderman Gatsas asked and any amount of that \$3 million per year in 2006 would drop the Manchester line also or is that re-appropriated with the sending town.

Mr. Sherman replied I am sorry I don't follow your question.

Alderman Gatsas stated let's assume that the percentage...instead of being \$3 million you receive \$2 million.

Mr. Sherman responded part of that would get allocated to the sending towns and part of that would get allocated to the City. The sending town number, the \$38.5 million is after their share of the school building aid so if they do not receive the credit for school building aid their number would actually be higher.

Alderman Gatsas stated your Honor I would assume that we are going to get something a little bit more in depth than this in the next two weeks to make a \$110 million decision. I got this book. I was given this book and the numbers are different as opposed to what we were given on this sheet.

Mr. Sherman responded as I have said on numerous occasions the numbers are changing daily. Different scenarios...we have looked at leases. We have looked at GO's. We have looked at 20-year debt, 30-year debt, 25-year debt...it is changing. This is where we are. This is the closest we have been. We got the marching orders from the School District to try to minimize the impact on their budget in FY05 and certainly in FY04 as well and this is the structure that we are looking at as of today.

Mayor Baines stated again let me emphasize that we will continue to fine-tune the financial information and get it out in as much detail as we can produce. Also, we recognize that individual discussions sometimes are necessary to fine-tune information. We are available. The Finance Officer is available to any individual Board member who wants to come in and really crunch numbers beyond what we might have to do in a format such as this. We would like to offer that to each individual Alderman. It is a very important project, as we know for the City. A lot of information is needed and it may require each one of you to come in and absorb the benefit of the Finance people and also the resources that they have at their disposal.

Alderman Gatsas asked when will we receive something...I understand the numbers changed but at least so we can attempt to make an intelligent decision on some number that is fixed and some set time.

Mr. Sherman answered I guess my question back would be to what extent of the numbers are you looking for. I have 28 supporting pages or so that back-up these numbers at this point. What is it specifically, Alderman, that you are looking for?

Alderman Gatsas stated I will leave that up to you as if it were your money and you had to spend your dollar to do this project and how you would make that intelligent decision going forward. I would leave that up to you because you are the professional.

Mayor Baines replied I will do that but once you receive the information if it is not in the depth that you want, any Board member please call and we will refine those numbers and get them right out to you. Is there anybody else who hasn't spoken before we go back to others who wish to speak?

Alderman Garrity asked, Kevin or Randy, the debt service funding under the sending towns, when you came to \$38.5 million, does that include their State building aid.

Mr. Sherman answered that is net of their share of the school building aid.

Alderman Garrity asked is that their maximum allocation for State building aid potentially.

Mr. Sherman answered actually it would be because that is based on the cap so yes.

Alderman Garrity asked so if Auburn, Candia or Hooksett want to renovate or add on to one of their schools they won't get any State building aid for that.

Mr. Sherman replied I am not sure I could answer that. I don't know what project they have...I am sorry maybe I misunderstood your question. Is it their State cap? I am not certain of that.

Mr. Clougherty stated I don't believe that they would have negotiated a contract that would have given all of their capacity for just the high schools. They have to have something else in their planning I would think.

Alderman Garrity asked under sending towns, this includes three districts or four? Is it four?

Mr. Sherman answered the \$38.5 million includes all four.

Alderman Garrity stated but the School District is currently negotiating a new tuition agreement. What happens if those numbers change? Are we going to get an updated...

Mr. Sherman interjected we certainly will update the numbers if the tuition agreement dictates so.

Alderman Garrity asked because Auburn, Candia and Hooksett have caps, right. They have a cap on what they can spend for the additions is that right and the renovations of the high school?

Mr. Sherman answered within the cap and the tuition agreement I don't believe there was a cap per community. I think each community had in mind what their own cap was based on their current students and what their share was and when I provide the back-up to this by community I have used those to allocate it out. Again, that is obviously subject to change as the student population changes.

Alderman Garrity asked did the tuition agreement that went to the voters three weeks ago, did that have a cap in it. A cap meaning Bedford, Hooksett, Candia and Auburn this is what we are going to cap our costs at for additions and renovations to the high schools?

Mr. Sherman answered there was a cap on the capital cost for all of the additions. There was a cap on the capital cost and I am speaking high schools here, on the renovation dollars and then on the renovations the communities cap was 25% of that and then that got divvied up between the four communities.

Alderman Garrity asked with the fourth district, meaning Bedford, earlier in the presentation it was two years I believe...two or three years that they estimated that they were going to stay until they build their own school.

Mr. Sherman answered I think what Dr. Bass said was through the end of FY06.

Alderman Garrity stated that is not what he said at the beginning of the presentation I don't believe. If we go to the very beginning I think it was stated that it was two or three years.

Dr. Bass said could you repeat the question Alderman Garrity?

Alderman Garrity repeated when you made your presentation at the start, did you say Bedford for three years or two years or all six?

Dr. Bass answered we're anticipating because of the Bedford vote that they would probably be out within three years and I believe we used the 2006 as a number to go with.

Mayor Baines stated just to emphasize, it could be longer because if in fact they decide to do that chances are they would be looking for a transition for young people that might be in their junior and senior years. Normally when you have a situation with a town doing that, that relationship could theoretically extend longer than that. It could extend out to four or five years.

Alderman Garrity asked Randy you stated to Alderman Gatsas that you're including Bedford in this number here for under sending towns?

Mr. Sherman answered yes.

Alderman Garrity continued and you're charging them what it would have cost them for ten years of the agreement?

Mr. Sherman answered the \$38,500,000 is based on a full 20 years. If you go...in this scenario it includes Bedford paying for only three years with a slide just prior to this has them in for 20 years. But over that three-year period they are paying the same amount that they would have paid if they had adopted the agreement and opted out at 10...

Alderman Garrity asked and what was that amount?

Mr. Sherman replied it ends of being just shy of I think of about \$10 million.

Alderman Garrity inquired we're going to charge the Town of Bedford \$10 million to stay here for three years?

Mr. Sherman replied actually I think it's a little bit more than that.

Alderman Garrity asked can we do that legally? Or does the State say we can do that?
We're going to charge them \$10 - \$11 million to stay here for three years?

Mr. Sherman answered yes.

Kevin Clougherty added by their not voting on the agreement, it really puts us in a predicament because you know for planning purposes. So we have to plan that they're going to be there the three years because, you know obviously you're not going to throw them out in three years. You're going to have to work out some type of transition. But that's the point is...if they're going to be here for the three years we don't know at the end of the three years what they're going to vote on. So by keeping that, we're able to charge the accelerated rate.

Alderman Garrity asked so what is the number they're going to have to pay?

Mayor Baines interjected Alderman I don't if Mr. Donovan would like to see...this is a...

Alderman Garrity stated Your Honor I have the floor, may I just please follow up.

Mayor Baines continued I just wanted Mr. Donovan to clarify that question for you. It's the same question Alderman.

Mr. Donovan stated at the moment we are negotiating...we have an agreement with Hooksett, Candia and Auburn and we need to fine tune the agreement and that's what's happening and we're very optimistic with that. At this point we're not talking with Bedford. We're concentrating frankly on this project and we're talking with the towns with whom we have an agreement. At some point in time there may be discussions with Bedford; not now. At some point in time there will be a discussion with Bedford. It think it would not be prudent for people around this table to be hypothecating what the amount of tuition that might end up getting charged through a negotiated process. You can assume the negotiating people in Manchester will look out for Manchester's interest, but I think if we were to frankly discuss potential future negotiations in a forum like this, it could hurt our negotiating posture.

Alderman Garrity stated I think its fair game. It's sitting here on our bonding...I mean this is how we're going to pay for the bond. It's sitting here. They're included in there. There's a number included in there. It's fair game to talk about. We've got to vote on \$110 million project and we don't know if that number is any good now because it hasn't been negotiated. So that goes down to he Manchester line again, doesn't it? Is that right Kevin and Randy? If it hasn't been negotiated yet it goes down to the Manchester line.

Kevin Clougherty responded if you assume that there would be no payments, yeah it...you're right. Without assuming that's going to happen...

Alderman Garrity stated if you say we can't talk about it...we have to talk about it because it's sitting here in black in white and it's how we're going to pay for the bonding.

Mayor Baines interjected we can stay calm too, but I think what Mr. Donovan said try to pull a number out of the air tonight, would not be prudent.

Alderman Garrity stated but the number's already in there Your Honor. It's already in there. We've got to vote on it on April 15th. But the number's in there.

Mr. Sherman replied in order to put together the presentation, certain assumptions had to be made. I think the first graphic that we have there with the four communities in, certainly reflects the tuition agreement that was laid out and that three of the communities adopted. Certainly in coming up with a scenario of Bedford leaving but hanging around...having their students at West for a number of years, certain assumptions had to be made. I've given you the assumptions what I use, those certainly are subject to change. The school board can lower negotiate higher or lower and then the numbers would change. I believe that all of that will be in place before these bonds are sold so we will know what all those number are.

Alderman Garrity asked so are you comfortable tonight saying that is...when you bring something...I mean this is really for three districts, not four under sending towns. Right, because we can't count the full number right now, can we? We can't even count the three surrounding districts because that agreement's not even signed yet, is it?

Mr. Donovan responded the towns of Hooksett and Candia had their voters by an overwhelming margin of over 70 percent endorse the joint maintenance agreement. The voters in the town of Auburn endorsed the joint maintenance agreement by over 90 percent. The school boards of those three towns also endorsed the joint maintenance agreement. We feel we have a deal with those three towns and the question...in terms of as Mr. Sherman said, there's one cap in that agreement and that's the total cap for the four towns and what needs to be rejiggered internally what the number is and how it gets allocated among the towns that are left. That is frankly an easy discussion that we'll have. We...and can be accomplished based upon the town meeting mandate in those three towns. So I don't feel there's any problem with any of those towns because those towns have no where else to go and both the voters and the school boards of those towns want this agreement. So that is the situation that we would want with those towns and that's what we have and we've got an agreement that includes a framework for renegotiating the internal numbers under this circumstance. So it's...the agreement is operating the way it should.

Alderman Garrity asked so if we can't come to an agreement with Bedford on a number, then the remaining three surrounding district's numbers change? Is that right? Or this number changes and goes down to the Manchester number.

Mr. Sherman replied I guess maybe again I should sit down and should answer that question. My understanding is...

Alderman Garrity stated with all due respect Randy, you're the Deputy Finance Officer, I'd like you to answer the question because...

Mayor Baines stated he's going to answer it from his perspective.

Alderman Garrity said you're the City staff that...

Mr. Sherman answered from my perspective is, my understanding is that the three sending towns that have agreed, had a commitment, a financial commitment in mind when they adopted those agreements or endorsed those agreements based on the four towns being included. I think it's now coming on the school board to go back and talk to those three sending towns and come up to a final allocation of what those numbers are. I think selling them on additional cost because Bedford has left is a tough sell. I think if you go in with the, in the position that they're going to pay what they had expected to pay with Bedford, then I think you've got an agreement in place. Again what we're looking for under the Bedford scenario as close as we possibly can get Bedford in a similar situation as the other three towns are. Auburn, Candia, Hooksett they can all opt out after three years if they want to. I mean that still is an option for them. They can vote a new high school on their own next March and leave as readily as Bedford can. But under the tuition agreement they have a commitment to make capital payments for an extended period of time. So for voting no I don't see why the town of Bedford should get a benefit for that. So when I did my numbers, I did it based on the fact that whether they're here for three years or four years or five years, that they would pay the same and if they never pass a school and continue to stay, they would pay the same. That's the scenario that I did in that second graphic.

Mayor Baines stated Alderman Garrity if I could take one...trying to answer your question what Committeeman Donovan also responded. It will be up to the Manchester School Board to set...let me finish please...to set the tuition costs for Bedford. Let me make it clear, they do not have a contract. We're not going to be negotiating a contract. We're going to be coming up with what we feel is a fair and reasonable tuition number that is in the purview of the Board of School Committee to set that number. No one else has the authority. It will be a fair number as we've said from the get go, but it's also going to be fair to the agreements that we also have with the three other towns whose school board's endorsed it. And when we go back to the process again, Bedford school board members sat there for how many months Mr. Donovan.

Mr. Donovan answered six months.

Mayor Baines continued six months, and worked out a deal and left the table that this is a fair deal. The superintendent of Bedford said it was a fair deal. Now we have a responsibility to meet our obligations, be fair to them. We're going to set a tuition rate. That's our decision to set it. They're going to be here for at least three or four years and they're going to have to pay their fair share. All of it.

Alderman Garrity asked may I respond Your Honor? I can certainly respect the school boards responsibility being a former school board member yourself, and myself but to put a number in front of us that isn't reality. It's kind of like putting the cart before the horse. Don't you agree?

Mayor Baines answered no I think the numbers we've put before you are in fact reality and understand this is an informational session tonight only...

Alderman Garrity responded I'm not talking about all the numbers Your Honor...

Mayor Baines stated let me finish. The numbers are real. I think Mr. Clougherty and Mr. Sherman have been very explicit in terms of the obligations of this money and to go forward. The superintendent has also indicated that all of these questions will be answered before anyone's asked to vote for anything and also in the mean time, as we've added every stage of this process as soon as we have had information, we've released it. Much to the...there's been misreporting on it. Wrong editorials on it and misstatements from all... Every time we've got information we've released it once it's been verified. So we'll also make a commitment as soon as that information is available, will go out to every single board member on both boards, and will also be available to answer the questions. I'd like to go to some of the other board members.

Alderman Garrity stated just a quick follow up Your Honor. I just believe that when we look under the debt service funding I believe the sending towns number is not a solid number tonight. And I think that's...that was my point.

Mayor Baines stated just a response from the finance officer then I'll move to Alderman DeVries.

Mr. Sherman responded under either scenario whether all four towns are in or whether three are in and Bedford decides to go, I think that \$38,500,000 is still the number that we're looking at that's based on the caps and again this is the best information that we have at this time. As it changes as the Mayor said, we'll certainly provide the updates.

Kevin Clougherty added I'd echo what Randy said, but I'd also say Alderman, we're trying to manage a couple of different schedules here. In a perfect world we'd be able to get some things done in nice sequence, but life isn't like that. What we've got is a project before us. We've got a project that says they'd like to take advantage of the construction season this year. They have some great rates out there. Great environment that we'd like to take advantage of and it would be nice if we could push all this stuff until '05, but we're in '03 and we've got to make some decisions now. And as Randy was saying you have to make some assumptions about things that are reasonable. So in order for us to be able to move the process forward and get some information before the boards so we can keep to those other time schedules. We have made some assumptions, but we have made them based on consultation with the school board, the negotiating team that worked in developing the tuition agreement. We have gotten some consultation from the state and we feel really comfortable that that number is an achievable, realistic number at this point. Certainly to be presenting it to the board for consideration for this type of bond issue. We think that's very achievable.

Alderman Garrity stated thank you for the follow up Your Honor.

Alderman DeVries stated actually I'm skipping over to Gilbane. I'll let you guys off the hot seat. My question would be to the peak workforce needs. You're stating that at the peak it would be 450 employees. I'm just wondering what kind of studies you may have done to conclude that the workforce does exist locally. How much of it is going to be imported? Did you go to any local labor groups? Construction companies for availability? How did you determine that exists?

Mr. Urtz replied we obviously have ongoing relationships here in the state with many contractors. We've talked to many contractors during the placing phase of the work. We have talked specifically about this schedule with many of them relative to their ability to staff the job. In addition, we've met with some of the key trade unions and their representatives. Particularly some of the skilled trades, pipe fitters, electricians. We feel pretty confident that we're going to be able to find the manpower to do this project as we've envisioned it.

Alderman DeVries asked so the potential local hiring will be for skilled laborers as well as the unskilled percentage necessary?

Mr. Urtz answered yes.

Alderman DeVries replied excellent. I thank you. I'm moving over to school administration if I could. Probably Dr. Ludwell. He hasn't been on the hot seat in a while. My question is a very broad one. Probably not a difficult one for you to answer and I know Committee Member Ouellette addressed a portion of it, but if we do not address the capacity issues, both

at the middle and the high school level, can you tell me what programs will not be handled or what direction are you headed your addressing? I've heard gifted and talented programs...so what will not be addressed if we do not address our capacity issues?

Dr. Ludwell answered I can't be specific. I can give you some examples. I think we'd have to prioritize. As I mentioned earlier one of the areas that we're very interested in adding to our curriculum, to our program especially at the elementary level is a gifted/talented. We would have to address a lot of issues there. I think the other thing...overall our curriculum development. What subjects perhaps do we want to add in the future? It think that's a second area that we'd also have to take a look at, and that's primarily at the elementary we'd be looking at similar kinds of constraints at the middle and high school level too.

Alderman DeVries stated if I could push you a little bit further, because I did happen to hear the presentation that was given to the school board in reference to curriculum development and it particularly intrigued me also the addressing the special ed costs and there might be some ways to utilize some of the high school space in order to develop an in house special ed program that could potentially save the City, it think it was \$2 million?

Dr. Ludwell replied potentially, depending on what part of that program if all of it's to capacity also. And that merely was to students who are currently being serviced outside of the school district of developing programs within our system to service their needs in district. So obviously that requires space too.

Alderman DeVries asked and at the high school level also? If you're looking at the gifted and talented program?

Dr. Ludwell answered gifted/talented would be primarily elementary, perhaps middle. At the high school level that's usually addressed in the are of AP classes or other kinds of classes. College level classes.

Alderman DeVries help me with that AP classes.

Dr. Ludwell responded I'm sorry, advanced placement.

Alderman DeVries said OK so it's the same thing under a different cloak.

Dr. Ludwell replied it challenges the gifted children/students yes.

Alderman Shea stated I'd like to go back if I may to the renovations and additions to the middle school and the elementary school. Could I have Kevin or Randy or both up here please. Randy, my understanding is it would cost \$53 million to renovate the elementary

schools, the middle schools and put the additions on to the middle schools. Now the state portion is 30 percent, would that be for preschool through grade 8?

Mr. Sherman replied plus all the interest on that debt, but yes.

Alderman Shea stated now lets go back to the high school facilities. One of my members of the board, the school committee mentioned only a small portion would be going to the high schools. As I compute the additions and renovations that's almost 50 percent of the cost. Because that amounts to \$49 million. So there's a little bit more than just a small portion going to the high schools. Would you agree with that?

Mr. Sherman replied out of the total project yes, but the sending towns are paying for...

Alderman Shea stated I'm not interested in the sending towns, I'm really interested in the cost. Because who knows what the sending towns are going to spend, because obviously a lot those figures are predicated, and I don't want to go into a lengthy discussion that Alderman Garrity went into. But anyway, so I think that one can draw a conclusion tonight that there is certainly support for renovations and need be additions to the elementary and middle schools. There's no problem there. I think the discussion focuses on, what are the needs of the high school, how can we meet these needs in an appropriate manner, what can we do to make sure that our high schools are brought up to par. Now let me just throw this out for discussion or consideration and then I'll make as Alderman O'Neil has made a final comment, I will make my final comment as it were.

Alderman Shea continued a financial determination to include core facilities at the three high schools is a necessity. There is no point in discussing that. Core facilities at Central include a new media center, expanded cafeteria and gym. No one would say that that isn't a necessity. In that order. Media center first, expanded cafeteria second, gym third. At West High School a dire need to expand the media center and the cafeteria. And at Memorial High School as it was brought out, we do need classroom additions. There is no need to discuss how many, six to eight, maybe 12 and also to expand the cafeteria. I throw that out so that we might get some figures in terms of how much that cost would be. Ok. Now we would be well served by doing the following things. The growth of our schools is predicted upon outside tuition students. There is no doubt about that. We will be having...at present we have 1,732 students from different sending schools. That's a high school in and of itself. So we could in a sense...when we focus on tuition students we are really neglecting the needs of our students at the expense of the tuition students. Costly capital improvements, particularly additions to our high school for accommodating tuition students for lengthy periods of time in my judgement would be a disservice to the families paying taxes in Manchester in order for their children to receive the best possible education possible within an environment, a school environment that first of all is safe, not overcrowded, not impersonal and doesn't have time if it were 2,980 to provide the attention that high school students desperately need in our changing society. Students thrive when they are recognized

as belonging and when the student population becomes larger than some New Hampshire towns, our high schools encounter social problems and difficulties that are first of all very costly to those students that are neglected and have no attention given to them. Secondly it makes it difficult for school officials to handle these and our community then has to provide services that these students need in the form of either confinement to institutions of one sort or another, psychological help and things like that. Let me tell everyone there that the heart of our school system is the classroom teacher. The head of the school is the school principal. The bricks and mortar are important and should be addressed but relegated to where they rightfully belong, below those two things. If we don't have sound teachers in our classrooms and we don't have administrators that have the interest of students at hand, and we have people at different levels that don't even know the students, that don't even understand the students, but just know the problems kids in the school, we are neglecting our schools. So I say let's concentrate on the elementary level, the middle schools, and let's see how the other things play out when we have more definitive answers to our questions. That's my comment thank you.

Alderman Lopez stated I believe that we had a couple of...Dr. Bass and...a couple of people that are well qualified and some of the things Alderman Shea has indicated an ongoing discussion, and I think it would appropriate if you allow me Your Honor, if one of the gentlemen would come up and make a comment in reference to that. Because that seems to be a big issue and I think they're well qualified to answer those. Even though we get the information from some of the school board members, with all due respect, I think they're in a position as a professional to answer along with Alderman Shea and secondly I know that Dr. Bass and I have had many discussions in reference to Dr. Kias's famous letter in conjunction with that same subject.

Dr. Bass stated certainly we respect the opinion of all the aldermen and school board members and obviously everyone has a different take on the problem that we face here with the schools. Certainly again we appreciate the comments of all the aldermen and school board members and it's great to get this kind of input, because I think it's a healthy process for us in terms of looking at the variety of problems and issues that face us today. With all due respect to all the comments that have been made, let me respond in this manner. Certainly the issues at the elementary school and the middle schools are issues that we have to face and we would like to address them in the best way we possibly can. There's no argument to that. As to the high schools, we are in a crisis as it stands right now. If you're asking me as a school official, I think we're in a crisis mentality. You've got overcrowding at all three high schools. Memorial is no question at the worst of those three schools. Do I think that something should be done to address those needs immediately? Yes, absolutely. There's been a lot of discussion about the sending towns. What are they going to do, what aren't they going to do? As it stands right now the sending towns do send their students to the Manchester public schools. I remember it was quoted at seventeen hundred and thirty something students that are here. In actuality there are 1,727 students that currently go to the

Manchester public schools from sending towns. That's a fact. They are here and they've been here for quite some time. We have an agreement with three of those towns. They will be here, there's no doubt in our minds those towns will be here for quite some time. As to Bedford. Yes, Bedford did not sign the agreement, however, Bedford will be here for a while. So we have to figure on those 812 students that are currently in the Manchester public schools. If and when Bedford leaves, which could be in the next three, four, five years, as Mayor Baines pointed out, then obviously there would be a reduction of somewhere between 850 and 900 students that Bedford won't be sending here. But the reality of the situation is, those students are here. They're in our schools right now. The comments about mega schools was brought up. Again I think as I mentioned in our opening remarks, Central High School from 1972 to 1982 averaged 2,500 students. That's for ten straight years in a row they were higher than what Central High School is right now. Central High School is quoted at 2,335 students I believe, so again that's about almost 200 students less than what you had for a ten year period for '72 to '82. So again, I don't see it as an issue of mega schools; I see it as an issue of the current facilities that we have right now can not accommodate those students. And perhaps the superintendent might wish to add to that.

Superintendent Ludwell stated I concur with everything Dr. Bass said. I also concur with the comment that the most important people in the schools besides the students are the teachers, and maybe after that the principal. But I also think it's important, and there's a whole school of education that talks about making schools inviting. It's called invitational education by William Perky. But the whole idea is students are going to learn better if they like the environment they're learning in. But I do agree number one, the students are the most important and after that the teachers.

Alderman Shea commented when Central High School had 2,225, one has to remember that they were not all on campus. That some of the students, the freshman class, were at McDonough School, presently McDonough School, and the others, the sophomores, juniors and seniors were at the main campus. Am I correct in that?

Dr. Bass replied that's correct for part of those years, yes.

Mayor Baines stated I don't think all of the years and also West. West High School during the 1970s I think the enrollment was around 2,200 or 2,300 and that's what has existed. All three principals have weighed in. You have a principal of West High School is here tonight. You want to address that issue with her. None of the principals echo your comments at all and concerns about that. In fact just the opposite. Every single principal feels a compelling need to keep these relationships in tact. You know I think I have some credibility on this subject having been principal of one of the largest high schools in the state of New Hampshire. West High School, we've never felt like a mega school. Never had the feel of a mega school, had the feeling of a very cohesive school because we did pay the attention that you're talking about. There's a lot more to do than just numbers and figures and size. This

is not a mega high school. Brockton High School is a mega high school. Nashua High School you might call it a mega school, that's why they've now created two high schools. So there isn't a principal that you have in your high schools right now that feels the same way you do at all on that subject. We've had them in, we've talked to them about it and they feel very, very strongly for the sake of the educational programs, the long historic relationship that that we've had with these towns, is that they feel it critical for these schools to continue this relationship. The crisis is at the high school level. That's where the crisis exists, and to force these young people into three or four more years of overcrowded conditions, and maybe even start to talk about double sessions, or something of that nature, we've lived through that at both Central High School, as you recall during the late 1950s. West High School went through it in the 1960s, when the school district did not make the commitment to build when they should have built the schools. This goes back to all these issues. These principals would come in and speak to this board with a compelling force that I believe you maybe need to hear at some particular point in time. Second to that. Go talk to the principal individually at West and Central and Memorial High School and you're going to hear that same thing. Keep this arrangement in tact; let's address this crisis before we really have a negative impact on our students and our schools. I believe that's what they're saying.

Alderman Lopez stated given that comment on the Manchester School of Technology and I hope that the Gilbane did not have it listed here, but it's listed in this brochure and I hope that the school board takes a good look at that because when we negotiated the cable, I know that there was about \$800 to \$1 million there for renovation of MCTV, just as a comment. And in reference to the finance office, would you give us a guide, update guidelines for bonding? To make sure that we understand that. I'd just like to say that I've had a lot of conversations with the school board members and I know some aldermen, we went over to the school board to try to get information. There's a lot of information out there and I really, really believe that we have to seek it out and those questions that some people have help some of the aldermen and I think this is...there's a mist out there that something doesn't go their way, or whatever the case may be, or their philosophy, and I respect all that. But I think the correct information in making a decision which is a tremendous decision of \$110 million, along with everything else, I really think that everybody did a great job and we have a lot of professionals and I do want to give Tim from the Highway Department a hands up because he's been taking the brunt of everything, along with Frank Thomas, but he's been lead man and he's been very gracious meeting with us and done a terrific job, so I want to commend him on that. Thank you Your Honor.

School Committee Member Gross stated when I look at the numbers I think the, some of the figures that Alderman Shea was addressing are a little convoluted and maybe there needs to be some clarification. Of the \$51 million being spent on the high schools, \$22 million is directly into renovations. That leaves \$29 million for high school additions. Now the alderman addressed the fact that he was in agreement that we needed additions at Memorial

for classrooms, that we need additions in our core facilities. Gymnasiums, cafeterias and media centers. Well those are additions, but we take that \$29 and stop and say we don't need additional classrooms, let's just rid of the tuition towns, even though it's a philosophical argument that's kind of mute at this point. Let's just forget that argument for right now. You'd be talking about eliminating some classroom space that would not represent the lion's share of the needs at the high schools. That was what the comment that was being made. Plus that money is being supplemented by the sending towns. That is a reality. Assuming that we had that extra space, let's assume we through this philosophical argument that we threw the sending towns out and we had the extra space. Would that be so terrible? To have teachers finally that aren't teaching in closets. You'd be able to look at if gifted programs, to add additional academy type programs to attract people to Manchester to go into the high schools? No, I think savings. When you bring a project of this size, that's a design/build project, back to a large construction company, cut out two classroom additions so we can save a few bucks on it. I don't think by scale of the project that you're going to get a dollar for dollar reduction across the project. You'll save a few million, but you'll also give us space that we could use. Now here's the real point, we're overcrowded right now. That's a reality. This is a fast track project. This is quite a project. I'm looking at the timeline and I want to ask Gilbane, I want them to go on record saying, if I understand this correctly, people who are finishing their freshman year right now, students that are in their freshman year right now, are going to walk in September of their senior year and these high schools are going to be complete. Am I looking at this right? Tell me what will not be done?

Mayor Baines responded absolutely correct.

Mr. Gross continued tell me what will not be done for the freshmen that are there now, they walk in for their senior years. Are they going to have new cafeterias, new gymnasiums, new heating and cooling systems? Because the alternative...let's say, again before you answer that. Let's say we throw out the sending towns instead. Well we know it's going to take four years or five years or six years before they're gone. For those four or five or six years, we're going to have overcrowding. That's a reality. But I'm hearing two years from now we're going to have a solution that we can afford to do, and it won't cost us one dollar more on the tax rate than what we're paying right now for debt service. Even if we lose a few million, if the Randy's numbers are off by five million or six million, you know what, they'll structure the debt and we still won't be paying more?

Mayor Baines stated lets talk about the, his expertise is...

Fred Urtz stated the schedule that we've put together gets all the high schools, as well as the two middle schools additions complete by the end of summer of '05, so that as you start September '05 those schools are done. In addition, the bulk of the elementary school work is also done at that time. There are some of the elementary schools that will continue

construction into '06, but the bulk of all of the schools in the City will be complete at the beginning of school '05.

Mayor Baines stated and actually it would be the freshmen becoming a junior when all the work would be completed, I believe. If my brain is still functioning properly after this long day.

Alderman Shea stated I appreciate the commentary made. My point is that if the students from the outlying districts remain in Manchester, and we do core improvements to our facilities, my understanding is they will still pay for these core improvements. Is that correct? I'm not sure whom I should ask but anyone that can answer, step forward.

Mr. Donovan replied Alderman Shea your question is if the surrounding town people stay, they will pay a percentage of...if all four towns were in, the percentage is 25 percent of the renovations. But the things you were talking about Alderman Shea like expanding the cafeterias, expanding the gyms, those are considered additions.

Alderman Shea asked and they would pay for those too?

Mr. Donovan replied they'd pay for 100...well the original formula with all four towns is they'd pay for 100 percent of additions.

Alderman Shea asked so in other words if we extended the media center, or if we could extend the media center at West, if we could extend the gymnasium at Central, also the media center at Central as well as the other core improvements, you're saying any additions, as long as they're here, they would pay 100 percent for those additions and if they are renovations they would pay 25 percent.

Mr. Donovan responded I think the problem though is they...as long as they're here, but they're signed on to a long-term agreement and so we can't just...if they were to sign on to the agreement, the obligation on our part would be to invite them to stay for a period of time, which forces us to deal with the capacity issues which requires us to build all of the additions, not just the little ones. In other words, the...Hooksett for instance could stay you can't just expand the high schools, make us pay...excuse me, expand just the gym, make us pay for that, but then not expand the classrooms that we need to education our students. It's an entire package deal. We have an obligation to meet minimum capacity standards and what I'm hearing Alderman Shea is that without...your suggesting not expanding classroom capacity and that wouldn't cut it.

Alderman Shea stated it think that we really have to expand core facilities for accreditation. I think we both agree with that. And I think that there is the difference between how much we are willing to put into additions at certain schools in order to accommodate tuition

students on the supposition that they will stay here for a lengthy period of time when in reality some of them are going to be gone within three years or five years and the others may be gone within 10 years. I know Hooksett has made provisions that they probably will go with a high school once their middle school is up and running. Because they'll have enough students from three communities, Candia, Auburn and Hooksett to do that. I mean that's not inside information yet, but it's bordering on it.

Mr. Donovan replied and if that happens, we don't know whether it happens, they have an obligation under the agreement to pay capital costs for a minimum of ten years and the way the bond pay downs work under the formula in the tuition agreement, they have to pay, they would have to pay on a 20-year amortization and ten years on a 20-year amortization is about 60 percent. So they would have paid about 60 percent of the cost and then they'd be gone. That's one of the scenarios the finance department has looked at and even if everyone leaves after ten years, the debt payment obligation for Manchester schools is still less than what we're paying now every year.

Mayor Baines added and again I want to remind the Board of Aldermen, that the School Board has struck a deal. That's their legal obligation to do and the other part of it, the most critical need I don't believe is the core facilities. The most critical need is the classrooms. I don't think there's any doubt about that. We need more classrooms. That's why we've been putting on these portables.

Mr. Gross stated I just wanted to clear up one of the misconceptions. There's a lot said where say the additions afford the sending towns. That conjures up a vision that is not accurate. I mean I assume that my child will be going to new classrooms also and I assume that my child will also go into a new gymnasium and so forth. So when we say we're building these and we're building it because of the sending towns. We have ways of looking at that. Either the sending towns are enabling us, because they're paying 100 percent of cost, they're enabling our children to benefit without cost to the taxpayers. That's the other side of looking at it. The sending do benefit Manchester students. The thinking that we're only doing for them is inaccurate. Because our ability to have them gives us besides the social and philosophical advantages, what it gives us is a financial advantage. It gives us the ability for my child to get into a new cafeteria that will serve a lunch before $\frac{3}{4}$ of the period is done. And do it in less than two years. This isn't something where we're going to get started and it's going to take ten years to get it done. If you guys say yes next week, two years from now those children are going have new media centers, new cafeterias, new gymnasiums. If every single elementary school that I see here is going to have new roofs, new floors, new paint. That's the reality of it. Middle schools are going to get addressed and I know they're important and the elementary schools are important also. I only wish there was even more money. I would like to see Hallsville finally get their playground. I've got to say this is a good project. It's one we can afford. I hope in the...the bottom line is, I'm hoping it's either

do the project or don't do the project that you vote for the best thing for our students. Now when the freshmen come into their senior years they'll be able to enjoy this.

Alderman Gatsas asked can somebody tell me how many portables we currently have? Because I keep hearing this word and...

Dr. Bass responded I don't have the total number of portables throughout the City. I do know what it costs the City, however, to pay for the portables and it's \$275,000.

Mayor Baines stated Dr. Aliberti is adding them up at the elementary level and I know Frank you could add them up if you thought at the high school and middle school level while we continue this discussion.

Tim Clougherty stated there are 12 at the elementary school level...I think you've got eight classrooms each at Southside and Hillside with four doublewides. There's a couple at Memorial and two at central.

Mayor Baines asked how many at the middle school total?

Mayor Baines replied about 24 system wide.

Alderman Gatsas asked how many are we eliminating? Because I would think that the first thing...tell me that first and then I'll make my comment.

Mayor Baines said 12 get eliminated within two years.

Tim Clougherty added yes 12 get eliminated. I thought you were going to follow up on that. All of those at Southside and Hillside, as well as Memorial and Central will be eliminated.

Alderman Gatsas asked so 50 percent of them?

Tim Clougherty responded that's correct.

Alderman Gatsas stated if somebody would have told me that this project increased by cost by 45 percent, every single one of those portables would have been thrown away, destroyed because they're God-awful. No child, no child should have to go to school in one of them. I would think that the first thing that somebody would have done was in their plans was to eliminate those portables. That shocks me that they aren't eliminated 100 percent.

Mayor Baines stated OK I think there's a response to that and I think what we've been looking at and the school district can speak. The last thing they want to do is overbuild at level because there are some enrollment trends at the elementary schools that are going in the

opposite direction. I think they've made it very clear that they're looking at those enrollment trends and right now that would not be a practical solution because you may be putting additions onto schools that you don't need. And that's one of the answers to those questions.

School Committee Member Paradis stated I would just like to say...I would like to make an appeal to our Aldermen here. Which one of you aldermen or group of you aldermen in the City would like to have your school closed...have your high school closed? The 1,732 students that we have, that could close a high school if we didn't take any of the tuition students and refused all the tuition students and said OK we're just going to take care of Manchester's people right now. Just right now though. And we're going to close one of the high schools. We only had two high schools at one time before Memorial if you remember. We had one on the East Side and one on the West Side. Now we have three, and some have proposed a fourth in the past. But I just wonder...I just want to leave you with this statement. I think we were living in the dark ages a little bit in the past ten years when Nashua was going ahead with their task force and their going ahead building another high school. They foresaw what they needed and we need to do this and I really appeal to some of the aldermen who have questions on this. Please ask Tim, Kevin, Randy, the Gilbane Construction Company, a design and build company or whomever if you have other questions. But I really...I've been here for 65 years and I feel as though this is the biggest project in education that we will ever probably go through, probably in another 50 years. And I really...I'm thinking like the dark ages BC and BC, meaning before Cloughertys. Before Kevin and before Tim because these two people I believe have put a lot of work, not just a lot of work but many, many hours. And Tim Clougherty I'll have to say...Kevin I've never seen him up on a roof or anything, but Tim when we have problems down at McLaughlin School...

Mayor Baines stated some people say they'd like to see him on a roof.

Ms. Paradis stated well we had problems with our designer, we thought it was a contractor with McLaughlin School. Tim was up in rain and snow, up on to of McLaughlin's roof trying to find out where the heck the snow and the rain was coming in and because that roof was leaking we had brand new high school. And that's the type of person he is. He's hands on. I trust him with this project. I hope other people do because I really feel as though it's going to benefit the constituents as Mayor Baines said. Our constituents which are our young people, my grandchildren, my nieces, my nephews, my grandnephews, my grandnieces and whomever else. And all you people around this board should be looking for the best education and they look around and ask about the schools. They ask about the education of the schools. How is it at Memorial? How is it over Jewett Street? I have seven schools in Ward 8 and we have more homes being built as Mrs. DeVries said. Two hundred more homes in Ward 8 and 9 are going up and those are three and four and five bedroom homes and we will be having more children down there. Mr. McKenzie said 67 per hundred homes. So there's 135 children alone down there. But anyway, on a closing note, I just hope

the Aldermen really, really take a good look at this and consider this. I think this is one of the most important things outside of the civic arena, which was built, and I voted against it, I'll be truthful with you. And now it's a blessing almost. I mean my grandchildren and my children love it and so probably I'm not going to be in it, probably just for graduations and maybe a Monarch's game or maybe a couple times a year, but other than that we have all benefited by it. And let our young children benefit by this project.

Mayor Baines stated I think there's going to be a lot...we're not asking for any votes.

Tomorrow night we'll be having continuing discussions and again I urge you again to come in and meet with the staff. As Mayor I've had a lot proud moments as Mayor, but I haven't been any prouder than I am about the professional staff that works for government and it's beyond the two that were just mentioned. This has been a real team effort. There's been a lot of people that have worked on this project to get us to this point. It's the right project to do, it's right time to do it, our students deserve it. They can't vote. Those kids that are coming into our schools, the kids that are out there that are looking to us to set some direction here. Could there be different approaches, probably as many as the people that are sitting in this room tonight, but the professional staff has worked in a scientific way to come up with a project that they feel needs meets the needs of our City and our children. They've also looked at a financial structure that I don't think anybody when we started this thought that we'd be talking about bonds outside of our general obligations. Well, there's another obligation we have and I'll end by saying this to you. Obligation to the citizens of the City deliver on the rhetoric that I have heard in every single election from the national to the state to the local level that we have to do what's right to strengthen our public school system. Now that the choices are before you it's a solid plan in terms of the planning for the future. It's a solid financial plan; the financial people have weighed in with you on that. We deserve a vote to allow this project to go forward. Let's answer all the questions. Let's get them out in the open at the end of the day. We're going to vote and we're going to be very proud of what we've accomplished on behalf of the children of this City. And I want to continue to emphasis...this is about children and about the future of our City and it's about the economics of our community.

On motion of Alderman Smith, duly seconded by School Committee Member Herbert, it was voted to adjourn.

A True Record. Attest.

City Clerk